

WORKING OF REGULATED MARKETS IN INDIA

REGULATED MARKETS—VOL. II



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P R E F A C E

Of the various marketing developmental programmes that have been implemented in the successive Five Year Plans, regulation of markets occupies a pivotal position. The Indian cultivators for decades have been victims of trade machinations in the markets where they bring their produce for converting it into cash. Though regulation of markets was introduced in this country as early as 1886, its importance came to be realised only as a result of the recommendation of the Royal Commission on Agriculture in 1928. Considerable progress has since been made in this field, particularly after the country achieved Independence.

Recognising the importance of regulated markets, the Directorate brought out a brochure entitled "Regulated Markets—Vol. I, Legislations" in 1956. The object of this publication was to compile the Acts then in force in various States and to present a comparative picture of these legislations, so that it could serve as a guide to the States that had not yet enacted the market legislations. This objective was not only amply fulfilled but it also helped the States which had already enforced the Markets Acts in suitably amending certain provisions with a view to effecting improvements in the working of regulated markets.

Since the publication of Volume I, many changes have taken place in the sphere of market regulatory programme. For example, with the reorganisation of States in 1956, more than one Act became operative simultaneously in different regions of the reorganised States. This obviously called for unification of market laws. With the expansion of regulatory activities consequent on the enactment of the Agricultural Produce Markets Acts in all the States excepting Assam, Kerala and West Bengal, it is felt that time has come to make an appraisal, how far the regulatory measures have served the purpose for which they were intended and to spotlight the weaknesses existing in the actual operation of the regulated markets. While some of the regulated markets have acquitted themselves exceedingly well in eliminating the traditional malpractices, others have not been so successful and the difficulties still persist. One of the yardsticks for measuring the efficacy of regulated markets is the extent of the participation by the farmers in bringing their

produce to the market for sale. Prior to regulation, the proportion of the produce brought by the farmers for sale in the markets was relatively small, the majority of the farmers disposing of their produce on the farm or in villages. After regulation, in some markets, the proportion of the arrivals brought by the farmers themselves has gone up considerably and is as high as 80 to 90 per cent, while in others it is still much below the expectation.

Information for compilation of this volume was collected through questionnaires issued to the regulated markets all over the country. Information received was further supplemented by personal visits and on-the-spot study of the working of typical representative markets. In particular, information during personal visits was collected in regard to existing defects in the actual functioning of the regulated markets, as the same could not be fully elicited through the questionnaires. In addition, advantage was taken of the material contained in the reports of the Expert Committees appointed by some of the State Governments to review the working of the Markets Acts in their respective States. Similarly, the reports submitted from time to time by the officers of the State and Central Governments in regard to the working of the State Markets Acts were also made use of in preparing this report. It may be added that although the terms of reference of the Expert Committees were not the same, their observations and suggestions for bringing about improvements in the working of the regulated markets were very useful.

Thanks are due to the State Marketing Officers and various Market Committees for having supplied useful information for this volume. But for their co-operation it would not have been possible to compile this report.

The Government of India should not be regarded as assuming responsibility for all or any of the statements contained in this report.

This report is the outcome of the hard work put in by several officers in collection and compilation of information and data. Shri R. N. Chaturvedi, Deputy Agricultural Marketing Adviser to the Government of India, Shri G. J. Hiranandani, Senior Marketing Officer, and Shri P. Ramaswamy, Marketing Officer, were mainly concerned with the final preparation of this report.

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NAGPUR
The 1st August 1968.

*Agricultural Marketing Adviser
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WORKING OF REGULATED MARKETS IN INDIA

Regulated Markets—Vol. II

CHAPTER I

INTRODUCTION

1.1. General

The system of marketing of farm produce that developed in this country during the last century or more was, by and large, dictated by the socio-economic conditions that prevailed during that period. As a result of the change in the pattern of agricultural production from the level of village self-sufficiency to that of export-oriented commercial farming, many market centres—*mandis* and *ganjs*—sprang up during the first half of the nineteenth century at convenient points where transport and communication facilities were available. Each market centre initiated and developed its own trade practices and code of business. These totally ignored the interests of producer-sellers who had no say in the disposal of their produce and who played the part of a dummy. A host of functionaries and intermediaries came into existence and they fully exploited the ignorance and the weak bargaining position of the producers. Even when the produce exchanges came to be organised in the latter half of the nineteenth century at port towns such as Bombay, these had little influence on the market structure and practices prevailing at the primary level.

Though with the organisation of exchanges the marketing of commercial crops, particularly of cotton, was better organised in port towns, the conditions of marketing at the primary level continued to be chaotic. These imperfections in the marketing system in consequence had their reaction on production and also affected the flow of quality goods from the areas of production to the markets in importing countries, specially the U.K. The anxiety of the British rulers to make available supplies of pure cotton at reasonable prices to the textile mills at Manchester, motivated the desire for improving the marketing and for regulating marketing functionaries at the level of *mandis*. Karanja was the first regulated market to be established in 1886 under the Hyderabad Residency's order. Subsequently, a special law known as "The

Cotton and Grain Markets Law" was thus enacted in Berar then known as "The Hyderabad assigned district", in 1897. The institution of regulated markets, *i.e.*, markets regulated under a statute, thus came into existence. Having due regard to the socio-economic conditions prevailing in the country, this type of reform at the primary level of marketing was first recognised for general adoption in the country by the Central Cotton Committee appointed by the Government of India in 1918 and later it received wider recognition after the Royal Commission on Agriculture in 1928 and the Planning Commission in its report on the First Five Year Plan drew pointed attention to its importance.

1.2. Role and scope of regulated markets

1.2.1. The avowed object of regulated markets as defined in the preambles to various State Acts has been to provide for better regulation of sale and purchase of agricultural produce. With a view to protecting the interests of the producer-seller, the regulated markets aim at improving the efficiency of marketing at the assembling points which form the base of the marketing machinery. This is achieved by creating healthy, competitive and such other conditions as would ensure a fair deal to producer-sellers. In this connection, interesting observations made by the Expert Committee under the Chairmanship of Dr. T. G. Shirname appointed by the erstwhile Government of Bombay in 1955 to review the working of the Bombay Agricultural Produce Markets Act bear reproduction:

"In providing the machinery for regulation and in choosing the method of regulation, certain essential features will have to be taken into account. Firstly, marketing is a complicated business which can only be handled by experts and until the agriculturists are able, by their own individual efforts or through combination, to handle this delicate business, the effort must be directed towards making the existing market functionaries function to the greater advantage of the producer rather than driving them out of the trade. Even in a perfect market controlled by the producers it may be necessary to retain many of the existing functionaries unless and until the social order is itself changed radically. The conception of market regulation has, therefore, to be based on this fundamental truism. Secondly, agricultural marketing covers a variety of stages from the time the commodity leaves the field to the stage when it reaches the consumer.

If the market were to function smoothly and efficiently it must have a firm grip over the wide range of the activity covering all these stages. A logical corollary of this is that the market must provide facilities for trading, regulate them on an equitable basis, facilitate the settlement of disputes arising from the trading activity without driving the parties to protracted litigation in the courts and place at the disposal of the buyer and the seller a mechanism with which bargains can be made and completed without causing any loss to one or the other. Thirdly, the market should be in a position to provide ancillary facilities such as godowns, communication, transport and credit and where it has not the means or power to make them available it must try to secure them from or with the help of other agencies."

1.2.2. The Markets Acts accordingly provide for fair trading practices, prohibition of unwarranted and excessive deductions on account of market charges and legitimate services rendered by various functionaries. For enforcing discipline among the trading community and other functionaries, the licensing system has been introduced. Further, the management of markets is entrusted to market committees which are corporate bodies and on which are represented all the interests, viz., traders, producers, co-operatives and local bodies. The producers have thus a voice in the management of the markets. The Acts also provide for necessary facilities such as dissemination of market information, temporary storage facilities and various other amenities such as rest houses, drinking water arrangements, lighting, etc.

1.2.3. It may be questioned as to why it is necessary to have statutory regulation of markets. In the markets located in the terminal points and major distributing centres, the traders have organised themselves into associations with a view to safeguarding their interests. These associations have adopted agreed sets of rules and bye-laws codifying thereunder various trade practices and business ethics to be followed. Even in secondary markets, traders and other functionaries such as *arhatias* have formed associations. These trade associations, however, generally tend to concern themselves with the interests primarily of the buyers and not as much with those of the sellers. There is thus a need for a machinery to regulate the market practices in the trading centres with a view to safeguarding the interests of the sellers.

This need is all the more great in primary assembling markets where the majority of the sellers are producers who, on account of their vulnerability, are more prone to be exploited. To be able to effectively function, the market regulating agency should not only have statutory backing but should also be properly supervised and controlled by the Government for holding the scales even between the sellers and the buyers.

1.2.4. In this Report an attempt has been made to assess the achievements of regulated markets and their impact on the general structure and efficiency of marketing in the country. It should, however, be borne in mind that regulation of markets is only one aspect of the development in the field of agricultural marketing. Prof. Dantwala in his report on the enquiry into the working of the regulated markets in the Bombay State (1951) has observed :

“The best that a marketing legislation can do under normal circumstances and without trespassing on the sphere of production and the fiscal-monetary factors affecting demand, is to equalise the bargaining power and create conditions conducive to more perfect competition. This would necessitate strengthening the organisation for market intelligence, storage, grading, pooling and adequate credit and finance, to mention a few important items. The co-operative movement can take care of many of these. The Bombay State has legislation for some of these but the progress under it is uneven. Best results will not be achieved unless measures affecting these auxiliaries of good marketing advance with a uniform pace. Whether the best results could be secured through a single *omnibus* marketing legislation or through a chain of well co-ordinated pieces, is a different question. The point to be noted is that unless the attack is from all key points, even the best isolated piece of legislation may not yield the desired result.”

It will thus be observed that regulation of markets alone in an isolated way cannot be expected to achieve the desired efficiency in marketing. This Report has attempted to focus the attention on the factors that have been responsible for the staggered progress and the limitations under which the regulated markets have been functioning.

1.2.5. Nature of statistical data.—The statistical material used in the presentation of this Report mainly consists of the quantities and values of arrivals, the number of functionaries, licence fees and market cess, income and expenditure of regulated markets and the market charges payable by sellers and/or buyers. The recording of data and the form in which these are maintained vary in different States. This has naturally influenced the availability, accuracy and comparability of the data. Generally speaking, the data regarding the number of functionaries, their licence fees, and items of income and expenditure of the market committees have been easy to collect. On the other hand, statistics relating to the volume of agricultural commodities handled and their value and the information relating to market charges prior to regulation, have not been available in a comparable form. This is because the statistics of arrivals in some cases are either not maintained regularly or, even where maintained, the data for individual commodities have not been available.

This incidentally reveals the direction in which record keeping in the various regulated markets needs to be improved upon and standardised not only for the benefit of market committees and the State Governments, but also for the maintenance of general agricultural statistics, so essential for formulating agricultural policies of the country.

1.3. Progress of regulated markets

1.3.1. Legislation.—As reported earlier in Volume I, the idea of regulating agricultural produce markets was first conceived by the end of the 19th Century when the first market at Karanja was regulated in 1886 under the Hyderabad Residency's order. Thereafter, a special law known as the "Cotton and Grain Markets Law" was enacted in the year 1897 in the Berar region, then known as "The Hyderabad Assigned District". Till 1930, efforts made in the direction of establishing regulated markets were mostly sporadic. It was only in pursuance of the recommendations made by the Indian Central Cotton Committee in 1918 and thereafter by the Royal Commission on Agriculture that the various Provinces and States came forward to enact necessary market legislation and establish regulated markets thereunder. Before Independence, market legislation was enacted only by Bombay (1927), Central Provinces (1932 and 1935), Madras (1938), Punjab (1941) and Patiala (1947). Though Mysore State

had passed the Mysore Agricultural Produce Markets Act as early as 1939, Rules were not framed thereunder till November 1948.

After Independence, the Planning Commission in its first and subsequent Plans emphasised the vital role played by the regulated markets in promoting orderly marketing of farm produce in the country and urged the various States that had not enacted the necessary legislation to do the same and regulate the markets thereunder.

Before the reorganisation of States in 1956, Markets Acts were passed and enforced in the States of (1) Bombay, (2) Hyderabad, (3) Madras, (4) Mysore, (5) Madhya Pradesh, (6) Madhya Bharat, (7) Punjab, (8) PEPSU (Patiala and East Punjab States Union) and (9) Saurashtra. Till March 1967, except Assam, Kerala, West Bengal, Jammu & Kashmir, Goa and Pondicherry, all the other States had enacted the basic market legislation and regulated markets thereunder. The Government of Assam had introduced the "Agricultural Produce Markets" Bill in the State legislature as early as 1959, but the draft Bill had to be withdrawn. It is reported that the Bill has been re-drafted and is expected to be introduced in the State legislature shortly. The Government of West Bengal has also drafted the relevant Bill which received the Presidential assent in September 1966 for its introduction in the State legislature. In Kerala at present the old Madras Commercial Crops Act, 1933, is in force in Malabar District which formed part of Madras State before the reorganisation of States. The Kerala Government has, however, drafted a Bill covering the whole State and the same is likely to be introduced soon in the State legislature.

As a result of the reorganisation of States in 1956, the total number of States was reduced from 28 to 16, including Jammu & Kashmir. The transfer of certain areas from one State to another consequently resulted in the transfer of regulated markets operating under the respective State Acts. This naturally led to a situation in which more than one Act became operative in different parts of the same State. For instance, in the new Mysore State, three Acts, viz., the Mysore Agricultural Produce Markets Act, the Bombay Agricultural Produce Markets Act (operating in Belgaum District) and the Hyderabad Agricultural Produce Markets Act (operating in the Karnataka region of the erstwhile Hyderabad State) were in operation. Similar was the position in Maharashtra where three Acts, viz., the Bombay Act, the Hyderabad Act and the

Madhya Pradesh Act were in operation. In Gujarat, two Acts, viz., Bombay and Saurashtra Acts were in force, whereas in Andhra Pradesh the Madras Commercial Crops Markets Act and the Hyderabad Act were in force. In the new Madhya Pradesh, two Acts, viz., Madhya Bharat and old Madhya Pradesh Acts were in force. In Punjab, two Acts, viz., the Punjab Act and the PEPSU Act were in operation. All these States have now passed unified Acts and brought about uniformity in market laws throughout the respective States. The revised Acts now in force incorporate many new provisions based on the recommendations made at the Mysore Seminar on Regulated Markets held in 1959 and by various Expert Committees appointed by some States.

For reviewing the working of regulated markets the various State Acts in force in different States as on 31-3-1967 are indicated in Appendix I.

1.3.2. Review of Markets Acts by various expert committees.—The enquiry into the working of the regulated markets was first undertaken by the Government of Bombay in 1950 as the then Government of Bombay considered it necessary to have a careful review of the working of markets regulated under the Bombay Agricultural Produce Markets Act, 1939, in order to assess the actual benefits of the measure both to the producers and to the consumers. The enquiry also aimed at ascertaining to what extent the aims and objects of the Bombay Agricultural Produce Markets Act have been fulfilled and in particular what difficulties have been experienced in the administration of the Act and whether any changes in the Act or the administrative machinery were necessary. The Expert Committee was headed by Prof. Dantwala, the then Head of the School of Economics and Sociology of the University of Bombay. This committee submitted its report in 1951 and was of the view "that the Act has conferred distinct benefits on the agriculturists and, we feel confident, even on the traders. Bad marketing can do no good to either the agriculturists or the traders. To the extent to which, therefore, legislation has rationalised marketing practices, it has also been a move in the right direction. But, as pointed out at the very outset, the Act has limited application, limited to one sector of marketing. It would, thus, be wrong to expect a thorough rationalisation in marketing through this legislation alone. A many-sided attack as indicated in the report would be necessary. But

the point we wish to underline is that the Act itself, with a few amendments, is capable of yielding better results through a stricter enforcement of its provisions. More attention may, therefore, be devoted for some time to consolidating the gains achieved rather than to extending the application of the Act."

The Government of Bombay subsequently appointed another Expert Committee in 1955 to review the Bombay Agricultural Produce Markets Act, 1939, under the Chairmanship of Dr. T. G. Shirname, Director of Agriculture of Bombay State, Poona. The terms of reference of the new committee were: (i) to review the operation of the Bombay Agricultural Produce Markets Act, 1939, and the Bombay Agricultural Produce Markets Rules, 1941; (2) to suggest modifications and additions to the existing provisions of the Act and the Rules, if necessary, with a view to making the provisions of the Act and the Rules more effective, comprehensive and simple as far as possible; (3) to examine whether a separate Act is necessary for commercial and non-commercial crops; and (4) to suggest whether it is necessary to bring the terminal markets within the purview of the Act. The Committee submitted its report in the same year under three broad categories which were designed to impart discipline and efficiency at all stages of agricultural marketing in regulated markets and to provide ancillary services to them. The first set of recommendations sought to bring within the scope of the legislation all types of transactions in a given market area in respect of all commodities under regulation. The second group of recommendations was designed to make the market committees, which are concerned with the administration of the market, fully representative, strong and alert and to assure all adequate financial wherewithals as well as initiative. The third category of recommendations was designed to strengthen supervision, assistance and direction from the Government. The three categories of recommendations referred to above were exclusively designed to policing the working of regulated markets. All these recommendations taken together, the Expert Committee felt, made the prescription. It had to be given and taken as a whole. The Committee hoped that this prescription would be found agreeable both to those who had to dispose it, as well as to those who had to take it, including market functionaries, agriculturists and market committees. These three categories of recommendations, the Committee felt, were meant as the cure for the disease from which some of the markets were suffering.

The Government of Hyderabad also appointed an *ad hoc* Sub-committee in 1954 to review the working of the Hyderabad Markets Act under the Chairmanship of Shri N. Farid Uddin, the then Chief Marketing Officer of Hyderabad State. This Committee also suggested improvements in the working of the regulated markets in Hyderabad State.

Madras was yet another State which appointed an Expert Committee in 1957 to review the working of the Madras Commercial Crops Markets Act, 1933, under the Chairmanship of Shri W. S. Krishnaswami Naidu, Retired High Court Judge, Madras, with the following terms of reference :

- (a) to examine the legal aspects of the Madras Commercial Crops Markets Act and to remove defects;
- (b) to simplify its provisions in order to render the working of the market committee smooth, more effective and less expensive;
- (c) to consider the extension of the Act to all agricultural commodities (*i.e.*, food crops, besides commercial crops);
- (d) to review the general working of the Act and Rules made thereunder and the market committees set up under the Act and to suggest to Government measures for rendering the legislation more effective and beneficial to agricultural producers and less troublesome to traders; and
- (e) to examine the question of replacing the system of election to the market committee by nomination to avoid disproportionate expenditure on election.

The Committee submitted its report to the Government during the same year. One of the main recommendations of this Committee was to bring all kinds of agricultural produce including products of horticulture, forestry and animal husbandry within the scope of the Agricultural Produce Markets Act. It may be mentioned that in making recommendations, this committee, like the Shirname Committee, took into account not only the interests of agriculturists but also of the trade in general. Further, the Committee tried to avoid any conflict between the trade and the agriculturists or between market committees and other organisations interested in the successful marketing of agricultural produce. The views of the various expert committees have been discussed in detail in the relevant chapters.

1.3.3. Number of markets regulated.—For the proper understanding of the progress of regulated markets with regard to extension of various State Acts to a number of centres in the respective States, it is necessary to explain at the outset the difference between the main principal market yards and the sub-market yards. The Markets Acts of all the States, except the State Markets Act of Tamil Nadu provide for notifying market areas and the principal market yards. The market area is generally the hinterland of the market centre and its limits vary from municipal boundaries to a tahsil. In Madras, however, the whole district becomes the notified area. A market committee is constituted for each of the notified areas. Within this notified area, the Government also declares the major centre as the main market yard which is also the headquarters of the market committee. If there are any other markets of some importance within the notified area these are declared as sub-yards and are managed by the same market committee. The progress made with regard to the number of markets (both main and sub-market yards) regulated in various States where the Markets Acts are in operation is indicated in Appendix II.

It will be observed from the Appendix that till 1947 the progress of regulated markets was slow and chequered. Till 1940, market regulation was in force only in the States of Bombay, Hyderabad, Madras and old Central Provinces, the number of markets regulated being 78. The total number of regulated markets increased to 151 in 1947 when the partition took place. The Congress Agrarian Reforms Committee appointed in 1947 by late Dr. Rajendra Prasad, the then Congress President, and subsequently in 1948 the Rural Marketing Committee of the Indian National Congress, presided over by late Shri Jawaharlal Nehru, recommended in unequivocal terms the establishment of regulated markets as a panacea for many a cultivator's ill. These recommendations gave further fillip to progress in this direction and accelerated efforts were made for the regulation of markets particularly by the erstwhile Bombay and Punjab States. The PEPSU Agricultural Produce Markets Act also came into operation in 1948.

In April 1951 India launched its First Five Year Plan for economic development. The programme under the Plan also provided for the development of agricultural marketing including establishment of regulated markets, not only in the States where agricultural marketing legislations had

already been enforced but in other States as well. The Planning Commission, therefore, stressed that it was necessary to extend the operation of the Agricultural Produce Markets Act so as to cover all the important markets in each State by 1955-56, as the first step in improving marketing facilities. In response to this clarion call as many as 184 markets were regulated between 1951 and 1956. Madhya Pradesh, Bombay, Andhra Pradesh, Mysore and Punjab were the five States which contributed to this increase in a larger measure. The observations and suggestions made by the Cotton Marketing Committee under the Chairmanship of late Dr. Punjab Rao Deshmukh, appointed by the Government of India in 1953, the Committee of Direction of the All-India Rural Credit Survey, Reserve Bank of India, in 1954 and the Regional Conference on Marketing and Co-operation held in Hyderabad in November 1955, were also instrumental in increasing the pace of regulation of markets in the country. The development of regulated markets gained further momentum during the Second Five Year Plan, which was launched in April 1956. During the Second Five Year Plan as many as 245 markets were regulated and the number of regulated markets rose to 715 by the end of the Second Plan. With the passing of the Agricultural Produce Markets Acts by the States of Bihar, Uttar Pradesh and Rajasthan during the Third Plan, the pace of regulation of markets was further accelerated and 297 more markets were regulated during the Third Plan, bringing the total number of regulated markets in the country to 1,012. At the end of March 1968 the total number of markets regulated in the country was 1,855—1,157 principal markets and 698 sub-market yards.

1.3.4. Number of markets yet to be brought under regulation.—According to the information contained in the Directory of Markets published by the Directorate of Marketing and Inspection in 1965, the total number of wholesale *mandis* (major and minor) including fruit, vegetable and cattle markets is estimated to be 3,405. It has been reported by the States that out of these, 2,500 markets may be considered as important and fit for regulation. As will be observed from Appendix II, 1,855 markets have already been regulated till the end of March 1968. Thus about 645 markets, both major and minor, remain to be regulated. On account of the development of transport facilities and resettlement of refugees and landless tenants in new areas, some new markets may also come up in the newly developed areas. Such additional markets during the Fourth Five Year Plan may not

already been enforced but in other States as well. The Planning Commission, therefore, stressed that it was necessary to extend the operation of the Agricultural Produce Markets Act so as to cover all the important markets in each State by 1955-56, as the first step in improving marketing facilities. In response to this clarion call as many as 184 markets were regulated between 1951 and 1956. Madhya Pradesh, Bombay, Andhra Pradesh, Mysore and Punjab were the five States which contributed to this increase in a larger measure. The observations and suggestions made by the Cotton Marketing Committee under the Chairmanship of late Dr. Punjab Rao Deshmukh, appointed by the Government of India in 1953, the Committee of Direction of the All-India Rural Credit Survey, Reserve Bank of India, in 1954 and the Regional Conference on Marketing and Co-operation held in Hyderabad in November 1955, were also instrumental in increasing the pace of regulation of markets in the country. The development of regulated markets gained further momentum during the Second Five Year Plan, which was launched in April 1956. During the Second Five Year Plan as many as 245 markets were regulated and the number of regulated markets rose to 715 by the end of the Second Plan. With the passing of the Agricultural Produce Markets Acts by the States of Bihar, Uttar Pradesh and Rajasthan during the Third Plan, the pace of regulation of markets was further accelerated and 297 more markets were regulated during the Third Plan, bringing the total number of regulated markets in the country to 1,012. At the end of March 1968 the total number of markets regulated in the country was 1,855—1,157 principal markets and 698 sub-market yards.

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be more than 200. As regulation of markets is a prerequisite for undertaking other marketing developmental activities such as warehousing and co-operative marketing, this should be accorded high priority and all markets should be brought under the regulatory orbit as early as possible.

The Agricultural Production Team sponsored by the Ford Foundation in 1959 had also highlighted the importance of regulation of markets in India and suggested that "the development of regulation of markets be stressed specially in areas with large marketable surplus of foodgrains". The Report further observed that "the co-operatives will operate to the best advantage if the programme of price stabilisation is conducted through the marketing co-operatives and the regulated markets"

1.3.5. State-wise distribution of regulated markets.—With a view to studying areas of concentration of the regulated markets in each State, the distribution of these have been given on district-wise basis in Appendix III. The position is further discussed in the following paragraphs.

Andhra Pradesh.—Upto the end of March 1968, Andhra Pradesh had 123 regulated markets, including 7 sub-markets. The State consists of 20 districts and is divided into 2 divisions, one comprising the districts ceded from the composite Madras State and known as the Andhra area and the other carved out of the erstwhile Hyderabad State in November 1956, and known as the Telengana area. In the Andhra area, all districts, except Nellore district, have regulated markets. The first market that was regulated in this division was in Guntur district in 1939, followed by Kurnool in 1940. Subsequently, it was after a lapse of 11 years, i.e., in 1950, that the Markets Act was extended to Anantapur and Krishna districts. Godavari (East) followed soon after in 1951 but the markets were regulated as late as 1955-56. In the rest of the districts the Markets Act was extended between 1956 and 1958.

In the Telengana division (Hyderabad district), Warāngal was the first district to have a regulated market as early as 1933. Adilabad and Mahbubnagar districts were the next to have regulated markets, one each in 1935 and 1936 respectively. By 1940, five more markets came to be regulated,

one in each of the remaining districts excepting Medak. The regulation of markets thereafter progressed slowly but steadily, a few markets being regulated each year.

Maharashtra.—The number of regulated markets in Maharashtra State at the end of March 1968 was 346, including 105 sub-markets. The State comprises 26 districts, out of which 2 districts, viz., Greater Bombay and Ratnagiri, have no regulated markets. Out of the 24 districts that have regulated markets, 13 are from old Bombay State, 5 from Marathwada and 6 from Vidarbha which, before the reorganisation of the States, formed parts of the erstwhile Hyderabad State and Madhya Pradesh respectively. In the old Bombay State until 1940 only 4 regulated markets had been established, 2 in East Khandesh and 1 each in Poona and West Khandesh districts. The earliest among these was at Dhulia in 1930. In the next five years, i.e., until the end of 1945, only South Satara had established a regulated market. From 1947, however, the Act was extended to the remaining districts and more markets were brought under the regulatory orbit.

In the Marathwada area comprising the erstwhile districts of Hyderabad, regulation of markets was first enforced in Nanded district in the year 1930. Nanded itself was the first market to be regulated. In the subsequent year, one market each in the districts of Nanded (Umri), Parbhani (Sailu) and Aurangabad (Latur) was regulated. By the end of 1940 as many as 11 markets had been brought under regulation and during the decade that followed 8 more were added. Thereafter, until the end of 1962, only 13 more markets were regulated.

The territory of Berar ceded by the Nizam of Hyderabad to British India and which formed a part of old Madhya Pradesh was a pioneer in the field of market regulation. The Berar Cotton and Grain Markets Law of 1897 was the first attempt towards statutory regulation of markets in the country and as early as 1900, 11 markets—5 in Akola, 3 in Buldana and 3 in Amravati districts—had been regulated. Yeotmal followed next in 1902 and by the end of 1930 all the four ceded districts had 18 regulated markets established under the said Law. During the decade that followed the Act was extended to other markets, bringing the number of regulated markets to 35. Some sporadic efforts made after 1940 resulted in

bringing only 10 more markets under regulation upto 1950 and some 6 thereafter until the end of 1956. By the end of 1965, these 4 ceded districts had 58 regulated markets.

Gujarat.—A new State of Gujarat was carved out in 1960 as a result of the bifurcation of the erstwhile Bombay State. The State had 209 regulated markets (including 94 sub-yards) at the end of the 31st March 1968. Of the 19 districts in this State, 17 districts are having regulated markets. Among these districts, Baroda was the first to have established regulated markets in 1940. In the five years that followed, Ahmedabad was the only district in which regulated markets were established. From 1947 onwards the Regulation of Markets Act was extended to the rest of the districts. Presently, Kaira and Mehsana districts have the distinction of having the maximum number of regulated markets.

Kerala.—In Kerala State, out of the 5 districts, viz., Trivandrum, Quilon, Kottayam, Trichur and Malabar, only the last one has 5 regulated markets of which one each was established in the years 1950, 1956 and 1957 under the Madras Commercial Crops Markets Act, 1933, the remaining 2 markets having been regulated very recently. Kerala State has yet to enact the Agricultural Produce Markets Act to extend regulation to the rest of the districts.

Madhya Pradesh.—Out of the 43 districts in the reorganised Madhya Pradesh, 14 are from old Madhya Pradesh while others have been added from Madhya Bharat. By the end of March 1968, there were 162 regulated markets including 16 sub-markets in the State, distributed over 37 districts.

In the Madhya Bharat area (now merged in the State of Madhya Pradesh) there are 99 regulated markets spread over 17 districts. Under the 'Qawid-i-Mandilal' (Agricultural Marketing Legislations) in force in the States of Indore and Bhopal, 33 markets had been regulated. In 1952, the Madhya Bharat Agricultural Produce Markets Act was passed replacing the old State legislation. Besides 33 markets already functioning under the old Act, an equal number of markets had been regulated upto the end of 1956. Of these, 8 were regulated in 1954, 12 in 1955 and 13 in 1956. Shajapur, Nimar (Khandwa), Morena, Rajgarh, Ujjain, Bhilsa, Guna, Mandsaur, Dewas and Dhar are important districts in this area in so far as the number of regulated markets is concerned.

Tamil Nadu.—The State of Tamil Nadu comprises 13 districts but the Act has been extended to only 8 of them, viz., South Arcot, North Arcot, Coimbatore, Ramanathapuram, Tiruchirapalli, Tirunelveli, Thanjavoor and Kanyakumari districts. Tirupur in Coimbatore district was the first market to be regulated in 1935 after the introduction of the Madras Commercial Crops Act, 1933. South Arcot district followed next in 1939 and the first committee was constituted with the entire revenue district under its jurisdiction. Ramanathapuram and Tirunelveli Market Committees were constituted in 1952 but they started functioning only from 1953. In the same year the North Arcot Market Committee was also constituted. The sixth market committee constituted was in Tiruchirapalli in 1958. The Thanjavur Market Committee was constituted in 1962 and the latest, viz., the Kanyakumari Market Committee, was constituted in 1966. The total number of regulated markets established by the above market committees by the end of March 1968 was 89.

Mysore.—The present Mysore State consists of the area of the old Mysore State, Bellary district from Madras State, three districts of the erstwhile Hyderabad State, four districts of the old Bombay State and Coorg. It now comprises 19 districts and has 155 regulated markets, including 66 sub-markets. One district, namely, Coorg, has no regulated markets.

Despite the enactment of the legislation as early as 1939, no progress was made in the regulation of markets for about 10 years in the original Mysore State. This was due to delay in the framing of the Rules.

Punjab.—Excepting for the three districts of Kangra, Simla and Khandaghat (now transferred to Himachal Pradesh after reorganisation of the Punjab State in 1966), all the remaining districts have established regulated markets.

In the districts comprising the Punjab region, as many as 36 markets were regulated in 1941, the very first year of the enforcement of the Act in the State. All the 11 districts where regulation is now in force had in that year 1 to 8 markets each, established under the Punjab Agricultural Produce Markets Act. Thereafter and until 1949 the pace of regulation was slow. This was due to conditions created by World War II, and subsequently due to problems arising out of the partition of the country in 1947. The tempo of regulation, however, revived in 1950 and during that year the Act was extended to 8 markets and in the subsequent two years

to another 13 markets. Thus the tempo of the regulation of markets in this region, though slow, has nevertheless been steady.

The PEPSU Agricultural Markets Act was passed in 1947. In the very first year of its enactment as many as 21 markets were regulated in this region—6 of them in Bhatinda, 7 in Sangrur, 5 in Patiala, 2 in Mohindragarh and 1 in Kapurthala districts. In 1949, regulation was further extended to another 13 markets. With the merger of PEPSU in Punjab after the reorganisation of the States and with the passing of the Punjab Agricultural Produce Markets Act, 1961, all the markets are now functioning under the unified Act. There is a provision in the unified Act for the establishment of sub-yards. This provision was absent in both the old Punjab and the PEPSU Acts. 25 sub-yards have been established under the various market committees. The number of regulated markets in the State including sub-yards was 395 at the end of March 1966. Since then the entire Punjab has been reorganised into Punjab, Haryana and the Union Territory of Chandigarh. The number of regulated markets in each of these three reorganised units as on March 1968 was 243, 150 and 2 respectively.

Orissa.—Under the Orissa Agricultural Produce Markets Act, 1957, markets were regulated in the year 1958, one each in the districts of Puri, Sambalpur and Phulbani. The Act has now been extended to other districts, viz., Dhenkanal, Bolangir, Balasore, Cuttack, Keonjhar, Koraput, Kalahandi, Ganjam and Mayurbanj districts, bringing the total number of regulated markets in the State to 49, including 19 sub-markets, at the end of March 1968.

Delhi and Tripura.—The Union Territories of Delhi and Tripura adopted the Bombay Agricultural Produce Markets Act in July 1957 and have established regulated markets in Narela, Najafgarh and Zakhiria in Delhi and in Agartala in Tripura.

Bihar.—Though the State enacted market legislation in 1960, the regulation of markets was taken up only in 1963. Upto the end of March 1968, 141 markets (including 81 sub-market yards) had been regulated in 17 districts of the State.

Rajasthan.—The State passed the Act in 1961 and framed the rules in 1962. In the years that followed 131 markets (including 44 sub-yards) were regulated in 24 districts upto the end of March 1968.

Uttar Pradesh.—Though the Act was passed as early as 1964, only 46 markets had been regulated until March 1968.

Himachal Pradesh.—Though the Union Territory adopted the Patiala Act as early as 1960, no steps have yet been taken to establish regulated markets.

Manipur.—This Union Territory has adopted the Bihar Act but has not so far enforced the same.



CHAPTER II

COMMODITIES NOTIFIED AND MARKET ARRIVALS

2.1. Agricultural produce defined.—The term ‘agricultural produce’ has been variously defined in different Acts. Agricultural produce as defined in most of the earlier Acts generally included only the produce of agriculture, horticulture and animal husbandry, whether processed or not. In the revised Markets Acts, such as those of Mysore and Maharashtra, the definition of agricultural produce has been further widened to bring within its scope produce of forest, apiculture and pisciculture in addition to the produce of agriculture, horticulture and animal husbandry. In addition, in most of the Acts, commodities which are subject to the provisions of the Act are specified in the schedules annexed to the Act. The Acts in Andhra Pradesh, Tamil Nadu, Mysore and Uttar Pradesh, however, do not have any schedules indicating the commodities.

2.2. Commodities notified.—Under the Maharashtra, Gujarat, Bihar, Rajasthan, Orissa and Punjab Acts, regulation is to be enforced in such areas and in respect of such commodities as may be specified in the notification from amongst those included in the schedules attached to the respective Acts. In the case of Andhra Pradesh, Tamil Nadu, Mysore and Uttar Pradesh, where no schedule of commodities has been appended to the Acts, only such commodities are deemed to be regulated as are specified in the notification issued at the time of declaring the intention of the respective State Government to regulate the sale and purchase of produce in an area over which the market committee constituted under the Act is to exercise its jurisdiction or control. Except in the case of Andhra Pradesh and Tamil Nadu, all Acts provide for the inclusion as well as deletion of any agricultural produce from the list of commodities specified in the notification. The manner of notifying commodities for regulation, however, varies from State to State. For instance, under the Hyderabad Act, as now in force in the Telengana area of Andhra Pradesh, or under the PEPSU Act which has been adopted by the State of Himachal Pradesh, “all agricultural commodities that are included in the schedule or are covered under the definition of agricultural produce will be subject to regulation”. In other words, all the commodities included in the schedule or within the definition of

agricultural produce stand automatically notified for all markets that are intended to be regulated under the Act. On the other hand, in the case of Bihar, Punjab, Madhya Pradesh, Maharashtra, Rajasthan and Gujarat, though the schedule of commodities has been appended to the respective Acts, yet control could be exercised only on such of the commodities from amongst those included in the schedule, as are specified in the notification in respect of each market, despite the fact that actually some more agricultural commodities may be arriving in the market which is intended to be regulated. In the case of the Mysore Agricultural Produce Marketing (Regulation) Act, 1965, the Madras Agricultural Produce Markets Act, 1959, the Uttar Pradesh Act, 1964, and the Andhra Pradesh Agricultural Produce and Livestock Markets Act, 1966, since no schedules have been appended to these Acts, a separate notification has always to be issued in respect of every commodity to be notified for regulation under the Acts.

Most of the regulated markets now functioning are, by and large, multi-commodity markets. There are, however, some markets which deal exclusively in single commodities like tobacco, vegetables or livestock. There are also some markets which deal in a few commercial crops only, e.g., groundnuts, turmeric, cotton and chillies in Andhra Pradesh, and arecanuts and copra in Malabar district of Kerala.

2.3. Coverage with regard to commodities.—The number of commodities notified for regulation varies from a minimum of one in a market in Tamil Nadu to 76 in all the markets in Punjab. Appendix IV indicates the number of markets regulated for each of the important commodities in different States. Foodgrains have been regulated in all the States except in the areas of the Andhra region formerly forming part of the old composite Madras State and in Malabar district of Kerala where the old Madras Commercial Crops Act is still in force. In Tamil Nadu, foodgrains have now been brought under regulation after the passing of the new Madras Agricultural Produce Markets Act, 1959, repealing the Madras Commercial Crops Act of 1933.

The extension of Markets Acts to special commodities such as fruits and vegetables, livestock and livestock products has been only to a limited extent. Maharashtra, Mysore, Gujarat and Andhra Pradesh are some of the States where vegetables including onions and potatoes have been regulated. While exclusive market committees have been set up at Ahmedabad

and Surat in Gujarat State for regulating trade in vegetables, this is not the case in other States, the market committees set up for other commodities being charged with the responsibility of regulating trade in fruits and vegetables also. For example, fruit and vegetable markets in Hyderabad, which have been very recently regulated, are managed by the Market Committee, Hyderabad, which is also the Agricultural Produce Market Committee for other agricultural commodities.

As regards livestock, Maharashtra, Gujarat, Orissa, Mysore, Andhra Pradesh, Bihar and Madhya Pradesh are the only States which have established regulated markets for cattle, the total number of such markets being 185 in the country. Tobacco, another important commercial crop, has also been notified for regulation in Andhra Pradesh, Gujarat, Madhya Pradesh, Tamil Nadu, Maharashtra, Mysore, Orissa, Punjab and Rajasthan. It may be added that although tobacco is a notified commodity in all the markets of the Telengana area in Andhra Pradesh, there are no arrivals of tobacco in these markets.

The number of markets as well as the number of commodities regulated varies in different States. It may, however, be mentioned that the number of markets regulated for a particular commodity should not be regarded as an indication of the importance of that commodity in that State. In some of the States like Punjab all the commodities mentioned in the schedule to the State Agricultural Produce Markets Act have been brought within the purview of regulation, thus inflating the number of regulated markets for a commodity referred to in the schedule.

It needs to be mentioned that it will be to the advantage of the producer-sellers if all the commodities grown in the market area are brought within the ambit of regulation. This will enable the producer-sellers to dispose of their entire produce in one and the same market.

A point often raised is whether the notified produce received in the market area from outside the State should be subject to the provisions of the Markets Act. An issue in this regard was raised by the Federation of Gujarat Food Dealers' Association when a new Gujarat Agricultural Produce Markets Act was being enacted in 1963. It was the view of the Federation that Gujarat being a deficit State in foodgrains and these being imported from other States like Madhya Pradesh, Uttar Pradesh, etc., these should be excluded from the purview of the

Gujarat Agricultural Produce Markets Act. While it may be true that the bulk of the foodgrains is imported from other States, large quantities of foodgrains produced locally are also brought by the growers for sale in markets. The Markets Act seeks to protect the interests of growers and as such the markets where they take their produce for sale had to be regulated. As it is not possible to distinguish between the imported foodgrains and the local produce, it would be difficult to altogether exclude foodgrains from the purview of the Acts.

2.4. Case for notifying more commodities.—The data given in Appendix IV indicate that the position regarding the notification of commodities cannot be considered as satisfactory in view of the fact that a large number of agricultural commodities are still left out of the regulatory orbit in many of the markets in almost every State. This is particularly so as regards livestock and its products and fruits and vegetables. The object of the Markets Act is to secure for producers better prices, ensure correct weighment and freedom from illegal deductions. If the establishment of regulated markets can secure this in respect of some commodities, it can do so equally in respect of other commodities. It is, therefore, highly desirable that all agricultural commodities which are commonly grown in notified areas and for which there is a fair marketable surplus should be included amongst the notified commodities for that market. This has also been recommended by several committees from time to time. For instance, the Royal Commission on Agriculture, which had studied the then Berar system of regulated markets and the Bombay Act which limited the application of the Act to cotton only, recommended in their report “that the system of regulated markets should be extended to products other than cotton”. Similar support came from the Rural Marketing and Financial Committee of the National Planning Committee of the Indian National Congress, which in 1948, while comparing the Hyderabad Act, emphatically favoured the system followed in Hyderabad where a large number of commodities had been included amongst notified commodities as against the Bombay and Central Provinces Acts, which only provided for regulation of cotton, groundnut and tobacco. The above Sub-committee observed that “in future provincial legislation, such restriction should be avoided unless there have been some overriding considerations in its favour”. The Enquiry Committee appointed for the collection of agricultural prices in India in 1954 also suggested that “in States where the coverage of commodities in the regulated markets is limited, the Acts should similarly be extended to all

commodities which are commonly sold in the market". Besides the recommendations made by the the above bodies, *ad hoc* committees which have reviewed the working of the Agricultural Produce Markets Acts in States like Bombay, Tamil Nadu, Hyderabad and Punjab have also invariably suggested extension of the scope of the Acts not only to agricultural produce but also to the products of horticulture, sericulture, pisciculture and livestock. Notwithstanding the recommendations made by various bodies mentioned above it has to be observed that, although the definition of agricultural produce in most of the State Acts extends to produce of agriculture, horticulture, pisciculture, livestock and livestock products, still livestock and livestock products, fruits and vegetables and other products which are of sufficient commercial importance and which have direct influence on the economy of the cultivator, have not been regulated to the extent necessary in almost all the States. For every market, the possibility of notifying all the commodities which are marketed in large quantities in that market should be explored. The Punjab and Madras Acts fall short of these requirements inasmuch as these two Acts have kept out livestock from the purview of regulation. In Punjab, this is probably due to the fact that there is already a Cattle and Fairs Act, which provides for supervision over cattle fairs where a large number of cattle is brought for sale and purchase. Nevertheless, it would be desirable that the provisions of the Punjab Agricultural Produce Markets Act, 1961, are extended to the cattle fairs to safeguard the interests of the cattle owners in the same manner as the interests of producers of agricultural commodities are protected in regulated markets.

2.5. Ratio of arrivals to marketable surplus.—It is difficult to precisely estimate the ratio of annual arrivals in the regulated markets to the total marketable surplus in respect of the regulated commodities. But on the basis of figures of marketable surplus published for most of the agricultural commodities in the marketing survey reports, it could be assumed that the total volume of these commodities channelled through all the regulated markets in various States does not exceed 30 per cent of the total marketable surplus of all the commodities, whether notified for regulation or not. There is, however, a wide difference in the corresponding percentages for different States. While in Maharashtra, Mysore and Andhra Pradesh, 32, 28 and 18 per cent respectively of the marketable surplus is handled in the regulated markets, in Tamil Nadu and Madhya

Pradesh, on the other hand, only 10 per cent of the surplus is handled. The performance of Punjab, where nearly 66 per cent of the marketable surplus is channelled through the regulated markets, is the best in this regard.

2.6. Classification of markets according to total tonnage handled.—In Appendix V an attempt has been made to categorise all the 530 regulated markets in the country which had given data on the basis of arrivals. The data contained in Appendix V are also summarised in the following table:

TABLE 1

Classification of the reporting regulated markets in the country according to quantity of produce handled

Quantity of produce handled ('000 tonnes)	Percentage of the re- porting markets	
	1961-62	1964-65
0 to 2.5	15.9	24.7
2.5 to 10.0	26.1	24.9
10.0 to 20.0	23.0	24.9
20.0 to 30.0	13.7	10.8
30.0 to 40.0	5.6	5.8
40.0 to 50.0	3.0	2.1
50.0 to 60.0	3.4	2.8
60.0 and above	9.3	4.0
	100.0	100.0

Of the markets which supplied data on total arrivals of notified commodities in their respective markets for the year 1964-65, it is observed that the volume of produce handled annually is within 10,000 tonnes in nearly 50 per cent of the reporting markets and further, half the number of these markets handled produce upto 2.5 thousand tonnes only. Among

the remaining 50 per cent of the markets, 24.9 per cent of the markets handled produce between 10 to 20 thousand tonnes, 10.8 per cent of the markets handled between 20 to 30 thousand tonnes, the rest handled 30 thousand tonnes and above.

As the classification of markets based on the arrivals in 1964-65 may not give a correct indication due to non-arrivals of foodgrains in some of the regulated markets owing to the procurement drive launched in various States, the figures of arrivals for 1961-62 have also been given in Appendix V and in Table 1 for the purpose of comparison. It will be observed that on the whole, the number of markets falling in the category of 10,000 tonnes and above is more in 1961-62 than in 1964-65.

2.7. Classification of markets according to value of produce handled.—Since the basis of levying market fee/cess has changed in a number of markets from weight to *ad valorem* basis, the classification of markets on the basis of the value of the produce handled assumes greater significance as the developmental programmes of every market committee depend on income derived from this source.

Appendix VI gives the classification of the 530 reporting markets on the basis of the value of arrivals of notified commodities in 1964-65.

The data contained in Appendix VI are summarised in the following table :

TABLE 2

Classification of the reporting regulated markets on the basis of value of produce handled in 1961-62 and 1964-65.

Value of produce handled (million rupees)	Percentage of the reporting markets	
	1961-62	1964-65
0.0 to 2.5	22.4	30.8
2.5 to 10.0	39.9	32.2
10.0 to 15.0	14.7	10.0
15.0 to 20.0	7.5	7.9
20.0 to 30.0	7.1	9.6
Above 30.0	8.4	9.5
	100.0	100.0

It will be observed from the foregoing table that during 1964-65 the value of the produce handled annually does not exceed 2.5 million rupees in 30.8 per cent of the markets. The next three groups, which represent markets handling produce worth 2.5 to 10 million rupees, account for another 32.2 per cent of the markets. The markets that handled between 10 and 15, 15 and 20, and 20 and 30 millions worth of produce are more or less evenly distributed (7.9 per cent to 10 per cent). Markets handling produce worth 30 millions of rupees and above annually constituted only about 10 per cent of the total markets surveyed.

The analysis of the data further reveals that markets that handle produce of sizeable value do not necessarily have to handle large volume of produce. This is due to the fact that markets where the bulk of the arrivals is of commercial crops like cotton, tobacco, groundnuts, cane jaggery, etc., generally rank higher when classified on the basis of arrivals since the unit value of such commercial crops is more than that of food-grains or other minor crops. For this reason, it would be more appropriate that the categorisation of regulated markets as big, medium, small, etc., is based on the volume of produce handled rather than on the value of the produce.

2.8. Agencies involved in assembling the agricultural produce.—The principal agencies which are involved in the assembling of farm produce are growers, traders' co-operative societies and other miscellaneous agencies comprising itinerary dealers, village merchants, etc.

The *ad hoc* committee appointed by the then Government of Hyderabad in 1954, in its report observed that "the proportion of arrivals of commodities brought by the agricultural producers before the regulation of markets has been recorded to be as low as 20 per cent in Latur and Karimnagar markets. But with the introduction of the Markets Act, the cultivators felt the benefits and advantages of selling in a regulated market and eventually the percentage of arrivals in the markets as assembled by the actual producer increased and is found varying from a minimum of 30 per cent at Paddepalli to a maximum of 95 per cent in Partur". With a view to assessing the share of various agencies in assembling of farm produce, an *ad hoc* survey was also conducted in some typical markets of various States first in 1959-60 and subsequently in 1962-63. These two surveys revealed that though the major portion of the total market arrivals was assembled by the producers themselves,

a sizeable quantity continued to be assembled by the village merchants, traders and others in the villages of production. The share of co-operatives was also nominal. The table below gives the percentage of arrivals brought by various agencies in regulated markets during 1959-60 and 1962-63.

TABLE 3

Percentage share of various agencies in assembling of produce in the regulated markets

State	Growers		Co-operatives		Village merchants	
	1959-60	1962-63	1959-60	1962-63	1959-60	1962-63
Andhra Pradesh	77.0	Not surveyed	..	Not surveyed	23.0	Not surveyed
Maharashtra	72.0	77.3	3.0	4.5	25.0	18.2
Gujarat	49.0	54.7	12.0	15.5	39.0	29.8
Madhya Pradesh	83.0	66.4	2.0	11.1	15.0	22.5
Tamil Nadu	55.0	Not surveyed	6.0	Not surveyed	39.0	Not surveyed
Mysore	62.0	66.7	5.0	15.3	33.0	18.0
Punjab	65.0	71.8	1.0	4.4	34.0	23.8
Orissa	Not surveyed	25.0	Not surveyed	1.0	..	74.0
Delhi	Do.	75.0	Do.	5.5	..	19.5
All-India	65.0	66.7	4.0	9.6	31.0	23.7

NOTES : (1) Number of markets surveyed in 1959-60 : Andhra Pradesh 14, Maharashtra 51, Gujarat 21, Madhya Pradesh 10, Tamil Nadu 2, Mysore 3, and Punjab 32; Total 133.

(2) Number of markets surveyed in 1962-63 : Maharashtra 24, Gujarat 16, Tamil Nadu 15, Punjab 12, Orissa 1, Mysore 15, and Delhi 2; Total 85.

It will be observed from the above table that in all the States, except in Orissa where the bulk of the produce is being assembled by village merchants and other agencies, the share of both producers and co-operatives in the assembling of the produce has progressively increased. Due to monopoly procurement by co-operative societies during 1965-66, and 1966-67 in some States, specially in the sphere of foodgrains, assembling by co-operatives in these States has further increased.

Some of the market committees in certain States have achieved remarkable progress in that, barring small quantities, the bulk of the produce is brought by the growers themselves. The South Arcot Market-Committee in Tamil Nadu is one such instance. In 1940 when this market was first regulated, only 6.5 per cent of the groundnut crop produced in the district was sold in regulated markets. The arrivals in the regulated markets of South Arcot district have not only increased in recent years to over 94 per cent of the production in the district but a major portion of the produce is now brought to the markets by the producers themselves.



CHAPTER III

NOTIFIED MARKET AREA AND MARKET YARDS

3.1. Market area and its notification.—All the Agricultural Produce Markets Acts in force in different States provide that the State Government (or the officer authorised in this behalf) may, by notification in the official Gazette, declare its intention to regulate the purchase and sale of such agricultural produce and in such area as may be specified therein. In issuing such notifications, varying terminology has been used with reference to the term 'area' for which a regulated market is to be established. For example, under the Hyderabad Agricultural Markets Act, 1930 (applicable to the Telengana area of Andhra Pradesh), the word 'market' is used while notifying the area over which market committees shall exercise jurisdiction and control. Under the Madras Commercial Crops Markets Act, 1933, now superseded by the Madras Agricultural Produce Markets Act, 1959, the words 'notified area' have been used to convey the same meaning. Again, under the Punjab Agricultural Produce Markets Act, 1961, the words 'notified market area' have been employed. In the other remaining State Acts, *viz.*, Bihar, Madhya Pradesh, Orissa, Rajasthan, Gujarat, Uttar Pradesh, Maharashtra and Mysore, the words 'market area' have been used. Whatever the terminology used, the underlying principle is the same, *viz.*, to define the area over which a market committee may enforce the provisions of the Act, and the Rules and Bye-laws framed thereunder. While notifying the limits of 'market', 'notified area', 'notified market area' or 'market area', it is invariably ensured:—

- (i) that the area notified covers the entire hinterland from which the agricultural produce normally flows into the principal market yard or sub-yards that may be established;
- (ii) that the area, by and large, forms the limits of a revenue unit, say a *talu a*, division or a district, for administrative convenience and for collection of correct statistics, etc.;
- (iii) that it constitutes a viable unit and is neither too unwieldy nor too small; and

(iv) that the area notified is a contiguous one.

Besides the above considerations, the following factors also receive attention:—

- (i) convenience of the electorate who are called upon to elect their representatives of the market committee;
- (ii) whether the market committee can render various marketing services such as dissemination of market intelligence, grading services, storage facilities, etc., needed by the users of the market; and
- (iii) whether the market committee can exercise supervision and control over the various market functionaries.

3.2. Pattern in different States.—Guided by the foregoing considerations, three different patterns have emerged, limiting the boundaries of the 'market area' to either one district or one or two tahsils or to a radius of a few miles round the market. In respect of market committees functioning under the Madras Agricultural Produce Markets Act, 1959, and the Madras Commercial Crops Markets Act, 1933 (in force in Malabar District of Kerala), the whole revenue district constitutes the 'notified area'. In Maharashtra, Gujarat, Orissa, Rajasthan, Bihar, Delhi and Madhya Pradesh the 'market area' is generally limited to a revenue *taluka* and in some cases to a few *talukas*. Market committees in the Telengana area of Andhra Pradesh which function under the Hyderabad Agricultural Markets Act, however, provide a typical example of restricted jurisdiction limited either to a radius of a few miles from the market or to the local municipal limits. However, under the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966, recently enacted, and which repeals the Hyderabad Agricultural Markets Act, the pattern followed in Maharashtra has been adopted and the market area can extend to one or more *talukas*.

The overall picture of the pattern of 'market area' over which the reporting market committees in different States exercise jurisdiction and control is brought out in Table 4 (Pages 30 and 31).

3.3. Advantages and shortcomings of different patterns.—There are advantages as well as disadvantages in all the above patterns of 'market area' or 'notified area' mentioned in the

TABLE 4
The area of operation or jurisdiction of some of the market committees in different States in India

Name of the State	No. of reporting market committees	Name of the Markets Act	Area of operation of Market Committee								Whole taluka or a few talukas	Whole district
			Upto a radius of		Revenue limits of							
			Five miles	Ten miles	Twenty miles	One town	Two towns	Three towns	More than three towns			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1. Andhra Pradesh.	50	The Hyderabad Agricultural Markets Act, 1930 (in force in Telangana area of Andhra Pradesh) The Madras Commercial Crops Markets Act (in force in Andhra area of Andhra Pradesh)	19	13	1	8	..	..	..	..	..
2. Bombay (Maharashtra and Gujarat).	128	Marathwada markets functioning under the Hyderabad Agricultural Markets Act . . Markets of Maharashtra Division functioning under the Bombay Agricultural	..	..	..	..	..	..	..	..	9
			28	15	..	3	..	..	..	..	..

Marks Act (to be replaced by the new Maharashtra Act)
Gujarat marks functioning under the Gujarat Act .

.. 1 2 79 ..

3. Delhi . . . 3 The Bombay Agricultural Produce Markets Act as adopted for Delhi .

.. 3

4. Kerala . . . 1 The Madras Commercial Crops Act .

.. 1

5. Madhya Pradesh . . . 22 The Madhya Pradesh Agricultural Produce Markets Act .

3 5 2 12 ..

6. Mysore . . . 40 The Hyderabad Agricultural Markets Act (Karnatak Division) . The Mysore Agricultural Produce Markets Act.

10 7 3 1 7 6 5 1 } ..

7. Orissa . . . 16 The Orissa Agricultural Produce Markets Act.

.. 16

8. Punjab . . . 97 The Punjab Agricultural Produce Markets Act.

4 66 5 2 19 1 ..

9. Tamil Nadu . . . 6 The Madras Agricultural Produce Markets Act

.. 6

TOTAL . . . 363

64 35 1 88 6 10 29 113 17

previous paragraph. The protagonists of the district pattern as followed in Tamil Nadu maintain that it is in conformity with the revenue limits of the district. Further, this helps in maintaining uniformity in market practices in the whole district. In addition, market information can be quickly and easily collected, compiled and disseminated, propaganda advocating improved farming practices and preparation of the produce for the market can be easily carried out and above all, supervisory expenditure is minimised, thereby diverting the savings for the development of the market yards and for providing better and efficient service to the users of the markets. Equally strong arguments are put forward against this pattern. These arguments are: (i) local problems and interests of individual markets in the District are not properly represented in the market committees; (ii) constituted at the district level, the market committees are not able to exercise adequate supervision over market transactions at centres other than the headquarters of the market committee; and (iii) the other centres are left entirely in the hands of its employees. As regards the financial advantages claimed, there is hardly any material saving, as within the district, separate office and establishment has to be set up for every important market centre. The only saving probably made is in travelling and other allowances paid to members: these expenses in the case of one single market committee for the whole District will naturally be less than market committees with the prescribed number of members constituted at *tahsil* level.

On the other hand, all those who favour a smaller size of market area, believe that such units are more compact and convenient from administrative point of view. The producer-sellers and buyers get adequate representation on the market committees and thus their interests are amply safeguarded. Formation of separate committees for each market centre, however, has its own disadvantages like variation in market practices such as methods of sale, weighment, delivery, payment, trade allowance and other market facilities and market charges. Such heterogeneity has often resulted in diversion of arrivals from one market to another. In some States such tendencies have been arrested by setting up regional advisory committees as in Maharashtra, Gujarat and in Karnatak in Mysore or by vesting overall control in the State Marketing Board as under the Punjab Act of 1961.

In some States like the Punjab and in the areas of Andhra Pradesh constituting the erstwhile Hyderabad State, the size

of the market area is even smaller than a *tahsil* and is generally confined to municipal limits or to a radius of a few miles from the central market yard. Such restrictive limits on market areas have, to an extent, defeated the very purpose of market regulation. Another disadvantage in this pattern of market area is that the market committees have not been able to exercise satisfactory control over the transactions made outside the market limits. The market committees under this kind of set-up are, therefore, interested by and large only in collection of market fees, and do not devote any attention to bring about improvements in the standard of marketing in their respective markets. Instances are also not wanting where the traders in such markets have carried out propaganda discouraging producers from selling their produce in the market yards. The limit of a market area over which a market committee should exercise jurisdiction and control has also been examined by the Expert Committees appointed by the Governments of Bombay (now Maharashtra) and Tamil Nadu in 1955 and 1957 respectively.

The Bombay Expert Committee which examined this question in detail recommended limiting the 'market area' to a *tahsil* which could be a viable unit from the administrative and other aspects of regulation. The Committee further felt that if, however, further co-ordination is required to bring about uniformity in the working pattern of regulated markets, this could be achieved by constituting State or Regional Advisory Committees.

The Tamil Nadu Expert Committee on the other hand recommended continuance of the existing district pattern of market area, but at the same time suggested enlargement of the market committees by raising the present strength of members of a market committee from 12 to 15. (Under the Madra Act of 1959, the market committee now is to consist of not more than 18 members.) This question was also discussed at the Mysore Seminar on Regulation of Markets held in 1959. The consensus was that while deciding upon the limits of market areas, the main consideration should be the hinterland from where the market arrivals normally flow into the central market yard for purposes of sale and to that extent a *taluka* or an equivalent administrative revenue unit would be preferable.

3.4. Market proper.—In the literal sense, 'market proper' implies market or markets where the sellers and buyers

of agricultural commodities get together for the purpose of sale and purchase thereof. Within the 'market area' as may be declared for the purpose of regulating purchase and sale, there may be several types of markets which, in fact, form part and parcel of the regulated market. The control over the 'market proper', *i.e.*, the market yard and places around it, which really implies the primary wholesale market into which goods are received from the growers and from merchants, has to be direct.

In fact, in the Agricultural Produce Markets Acts of Gujarat, Bihar, Orissa, Madhya Pradesh, and Rajasthan and in the Bombay Agricultural Produce Market Rules, 1941, it is made obligatory for every market committee to have at least one market yard and to declare as 'market proper' all lands with buildings thereon, including industrial concerns with compounds, godowns and warehouses where agricultural commodities are stored within a short distance of market yard. It would be useful to consider the provisions in the above mentioned Markets Acts as regards declaration of "market proper". The Bombay Agricultural Produce Market Rules, 1941 (Rule 51) lays down: "Government may, by a notification in the official Gazette, declare—(a) any enclosure, building or locality in any market area to be a market yard, (b) any area including all land with the buildings thereon within such distance of the market yard as it thinks fit to be a 'market proper' : provided that a 'market proper' so declared shall include industrial concerns in the said area with their compounds, godowns and warehouses where the agricultural commodity is stored." Rule 60 further requires that all agricultural produce brought into the market must pass through the market yard.

Under the Bihar Agricultural Produce Markets Act, the Orissa Agricultural Produce Market Rules, 1958, and the Madhya Pradesh Market Rules, 1962, 'market proper' has been similarly defined as under the Bombay Agricultural Produce Market Rules, 1941. The term 'market proper' has also been clearly defined in the Rajasthan Agricultural Produce Markets Act, 1961. Under the Gujarat Agricultural Produce Markets Act, 1963, it is made incumbent on the part of the Director that whenever he declares any 'market area proper', 'market yards' or 'sub-market yards', he shall simultaneously declare by a notification an area within such distance of 'principal market yard' or 'sub-market yard' as he thinks fit to be the 'market

proper' and thereupon all industrial concerns in the said area with their godowns and warehouses where agricultural produce is stored shall stand included in the 'market proper'.

A special provision has also been made under Section 7(vi) of the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966 (which repeals the Madras Commercial Crops Act of 1933 and also the Hyderabad Markets Act) that no person shall purchase or sell any notified agricultural produce, livestock and produce of livestock in a 'notified market area' outside the market in that area.

Under the Madras Commercial Crops Act of 1933, though the term 'market proper' has not been specifically used either in the Act or in the Rules, Section 5(i), para 2, of the Act, however, lays down that "no licence for the purchase and sale of such commercial crops shall be granted or renewed in respect of any place situated within such distance from the market as may from time to time be fixed by the State Government". It enables the State Government to achieve similar objectives as envisaged under other State Acts by defining 'market proper'. Further, under the Madras Agricultural Produce Act, 1959, which repeals the Madras Commercial Crops Act, 1933, it is now incumbent on the part of Government under Section 5(iv) to declare such area or areas of market as 'notified market area' as soon as may be after the establishment of the market by the Market Committee concerned. Here the term 'notified market area' conveys an identical meaning as the term 'market proper'. Further, the Market Committee is also empowered to refuse licence in respect of any place situated within a distance of five miles from the 'notified market area' if it is likely to affect the levy of cess and sale of notified agricultural produce in the market.

The Expert Committee appointed by the Government of Bombay in 1955 to review the working of the Bombay Agricultural Produce Markets Act, 1939, the Bombay Agricultural Produce Market Rules, 1941, and rules and bye-laws made thereunder, had examined the need for providing 'market proper'. The Committee in its report has stated that conflicting views were expressed on the subject of 'market proper' and prohibiting purchase and sale of agricultural produce in the 'market proper' except in the market yards. The Committee finally came to the conclusion that it is certainly not a hardship to the seller to reach the regulated market when once he enters the 'market proper' which covers only a

radius of a few miles from the principal market yard or sub-market yard as the case may be. It also opined that the agriculturist sells his produce in the village only because he is accustomed to that practice since long and not because of any disadvantages in going to the regulated markets. The Committee, therefore, recommended that no sale of any notified agricultural produce should be allowed in the 'market proper' at any place other than the market yard.

While that was the view of the Expert Committee appointed by the Government of Bombay, the Maharashtra Government in their notification dated 27th November 1961, deleted Rule 51 of the Bombay Agricultural Produce Market Rules, 1941, which provided for declaration of 'market yard' and 'market proper' as stated earlier. In fact the entire heading of Part V of the said Rules was changed from 'Market Yard and Market Proper' to 'Control of Markets'. This was a sequel to the judgment delivered by the Supreme Court of India ('Petition No. 129 of 1959—Md. Hussain Ghulam Mohammed and another—Petitioners *versus* the State of Bombay and another—Respondents'). The Court expressed that "the challenge made by the petitioners to the constitutionality of the main provisions of the Act and of the provisions in Rule 64 fails; but the challenge in respect of (i) the provisions in Rule 53 on the ground that they are *ultra vires* of Section 11, there being no maximum fee prescribed by the State Government, and (ii) the provisions in Rules 65, 66 and 67 on the ground that they are *ultra vires* of the provisions in Section 5A read with provisions to section 4(2) succeeds. As, however, we have held that the market in this case has not been properly established, the market committee cannot enforce any of the provisions of the Act or the Rules or the Bye-laws framed by it and cannot issue licence till the market is properly established in law. We, therefore, allow the petition partly and direct the respondents not to enforce any of the provisions of the Act, rules and bye-laws against the petitioners with respect to the market till the market is properly established by law for this area under Section 5A and not to levy any fees under Section 11 till the maximum is prescribed under the rules."

In pursuance of the above judgment of the Supreme Court, 'market proper' also does not find place in the Maharashtra Agricultural Produce Marketing (Regulation) Act of 1963 or the rules framed thereunder. However, to ensure that the produce is marketed only in the principal market

or subsidiary market, provision has been made under Rule 5 of the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967, that "no person shall market any declared agricultural produce in any place in a market area other than the principal market yard or subsidiary market established thereunder". But a saving clause has also been introduced under the same rule to the effect that the Director may authorise any market committee, subject to such terms and conditions as he may deem fit, to permit a commission agent or a trader to market agricultural produce or permit any other market functionary to operate in any place within the market area, such place being mentioned by the market committee in the licence granted to such commission agent or trader or, as the case may be, the market functionary.

The Expert Committee appointed by the Government of Tamil Nadu to whom the draft of the "Madras Agricultural Produce Markets Bill" was referred, pointed a similar lacuna in the draft of the Bill as was done by the Bombay Expert Committee. The Government of Tamil Nadu in pursuance of the recommendations made by the Expert Committee appointed by them have now introduced the term 'notified market area' in the Madras Agricultural Produce Markets Act, 1959, to prohibit purchase and sale of agricultural produce within such distance of the market yard as may be specified. This has not been challenged by any one so far.

In short, to bring home to the agriculturist the beneficial effects of market regulation at a quicker pace and to provide them with an incentive for increased agricultural production, it is necessary to restrict the purchase and sale to market yards only and to that extent impose necessary restrictions around each 'principal market yard' or 'sub-yard'. It should be incumbent and obligatory on the part of the Government or the administering authority, as the case may be, to declare the extent of such zones simultaneously with the declaration of market area, the principal market yard or sub-market yard as provided under section 7(3) of the Gujarat Act. The provision in this regard which, as stated, exists almost in every State Act in one form or the other, should be fully implemented by necessary notifications.

3.5. Market yards.—(a) Need for centralised market yards.—For an effective and proper regulation, direct supervision of sales is necessary and it is only then that the staff of regulated markets can ensure that the transactions are put

through without any malpractices which are found to generally exist in the trade. In fact, it is well nigh impossible for any market committee to exercise supervision over the multifarious transactions involved in the marketing processes, viz., sale procedure, price fixation, weighment, payment, etc., unless sales are effected in a centralised place.

In a large number of regulated markets, the trade is either conducted in congested localities lacking facilities and amenities or on public streets as in split-type markets. In such types of markets, therefore, it is extremely difficult to control the hours of business and have an effective supervision over market functionaries and practices. A good deal of time is also wasted in assembling of the prospective buyers at the stipulated hour and place without which competitive buying and/or selling conditions cannot be ensured. It has also become difficult in such markets to assess even approximately the supply and demand position on any particular day which is so essential for arriving at the probable price of any commodity. Lack of space for cleaning, heaping and weighment of produce and also for parking of carts and other vehicles, want of sufficient and properly constructed shops and godowns, lack of basic amenities, nuisance of stray cattle spoiling the produce, negligence of the municipal administration in the matter of conservancy and up-keep, are other common disadvantages prevalent in these old *mandis*. Under these conditions, better regulation of buying and selling as envisaged under the various Acts has become difficult of realisation.

(b) *Present position.*—In States like Rajasthan, Uttar Pradesh and Bihar where marketing legislation has been recently enacted, existing markets have been declared as market yards. In Madhya Pradesh, 96 per cent of the reporting committees have enforced regulation in market yards that were already in existence in the pre-regulation period. The conditions in these markets are far from satisfactory and the market committees have also not been able to bring about any improvement as the market committees are not the owners of such yards.

In respect of market committees functioning under the Hyderabad Agricultural Markets Act, it was the custom till recently for the local body (municipality) to acquire suitable land, demarcate and sell sites to traders and commission agents and with the money recovered, lay out roads,

construct market committee office buildings, etc., as indicated by the town planner and then hand over the market for enforcing regulatory provisions to the market committee. Under this procedure, well laid out compact market yards have come into existence, and it worked well as long as the Collector or other Revenue official of the place was at the helm of affairs of both the market committee and the local body (municipality). But, of late, with non-officials happening to take charge of the affairs of these two institutions, the functioning has not been so smooth. The market committees in the Telengana area of Andhra Pradesh are not depending on the local municipality now for the acquisition and development of market yards to start with.

In respect of market committees functioning in Tamil Nadu and in the Andhra area of Andhra Pradesh, the regulated markets are not established in the existing market centres with all the attendant disadvantages but some plot of land is taken on rent and arrivals are directed to the new yard. This kind of arrangement works well as the regulation under the Madras Commercial Crops Act is restricted to a few crops only and not to all commodities arriving at the trade centre. After successful working of the market for some time, the District Market Committee acquires the sites and develops the market yard out of its funds or by taking loan from Government. Unlike in other States where the market committees have let out plots in the market yard, the market committees in Tamil Nadu have not allowed the traders and commission agents to build shops within the market yard. This is probably due to the fact that in this State, the market committees themselves provide all the facilities provided by commission agents in markets in other States. These regulated markets which handle only a few commercial crops are limited in extent unlike multi-commodity markets in other parts of the country.

In Maharashtra, Gujarat and Mysore States, one comes across a good number of regulated market yards developed by market committees. Want of funds did not stand in the way in the majority of cases as the respective State Governments came forward to help the market committees with loans to develop the market yards. Sangli and Kolhapur in Maharashtra; Unjha in Gujarat; Gulberga, Raichur and Mysore in Mysore State—all have well laid out and developed market yards. Adoni in Andhra area and Warangal, Badepalli, Mahaboobnagar and Karimnagar in the Telengana region of Andhra Pradesh have also well developed market yards.

The Punjab markets of the pre-regulation period, where most of the market committees enforced regulatory provisions after their constitution, though once considered to be adequate for the purpose, are found to be inadequate and ill-equipped to meet the present-day requirements. Only a few market yards in some of the recently developed areas can be considered suitable and well-developed.

The market committees in various States are quite alive to the shortcomings in their market yards but they have been unable to bring about improvements for various reasons, important amongst these being lean finances, long and protracted land acquisition proceedings, non-availability of suitable land, lack of unanimity amongst members of the market committee when any particular site is selected, opposition from an influential section of the traders who are reluctant to shift to any new place, lukewarm attitude of the municipalities and procedural delays in developing the sites, in getting layout plans approved and thereafter actually executing the work itself.

None of these problems, however, is beyond solution. Finances should be forthcoming from the State and the Central Government in the form of long-term loans. State Governments may also explore the possibility of obtaining loans from the commercial banks by giving a guarantee for the repayment of the loan and the interest thereon. In the case of major market committees, this possibility could also be explored through the Agricultural Refinance Corporation. Acquisition proceedings could be expedited as is done in the case of Government development works of essential nature like irrigation canals, electric installations, etc.

The Bombay Expert Committee also examined this problem and recommended that "measures to expedite the proceedings, in connection with the acquisition of lands for the purpose, should be taken up normally and urgency clause under Sec. 17 of the Land Acquisition Act should be applied". As far as possible, the site for the market yard should be in the vicinity of a railway station, but where such sites are not available, a good transport service from the market yard to the station will solve the problem.

Where the members of a market committee are not able to decide in favour of any site for the market yard, a time limit should be prescribed in the rules, at the expiry of which the administrative authority should be empowered to select a suitable site for the purpose.

The sites for construction of shops within the yard should be leased out or sold outright to the licensed traders and/or commission agents at reasonable rates, and should not become a source of profit to market committees. Liaison should be maintained between the municipality and the market committee either through the representative of the municipality on the market committee or through some Government official of the status of the District Collector. With regard to procedural delays in the execution of the works, there should be an engineering section at the State level under the control of the administrative authority, who should undertake all works of capital nature on behalf of the market committees who should contribute towards such service. Creation of such a centralised agency at the State level was recommended by the Expert Committee appointed by the erstwhile Hyderabad State.

3.6. Layout of market yards.—While planning a centralised market yard, it is highly desirable to provide proper structures and buildings and other facilities so as to ensure orderly and efficient movement of goods. Future expansion of the market yard should also be borne in mind while selecting sites for market yards.

A planned market yard requires (i) an adequate number of shops for commission agents and other traders within its precincts, (ii) a centrally located office for the market committee for effective check and control on market functionaries, (iii) sufficient space—open and covered—for unloading and display of produce and for conducting auctions, (iv) parking space for carts, (v) drinking water facilities and conservancy arrangements, (vi) good roads and street lights, (vii) rest houses for producer-sellers, (viii) canteens and other sundry shops, (ix) banking, post and telegraph facilities, (x) warehousing facilities, and (xi) a veterinary dispensary.

While the above are requirements of an ideal market, provision of all the facilities and amenities will greatly depend

upon the availability of funds and also availability of an adequate and suitable site where the new market is to be constructed. Owing to limited funds at the disposal of market committees, construction of various structures has to be staggered. It would, therefore, be desirable to group various items and arrange them in order of priority after the preparation of an overall development plan for the regulated market. The items like office buildings, water troughs for cattle and drinking water for men, auction floors, etc., which are considered to be the minimum requirements of a good market yard should be given the highest priority.

Opinions differ with regard to the spread of the yard. While some favour extensive yards like the one at Sangli and Kolhapur which cover an area of over 100 acres, others prefer compact and closed yards like those designed for some of the regulated markets in the erstwhile Hyderabad State. While extensive yards no doubt facilitate assembling of commodities and present a more sanitary outlook, yet from practical business point of view, these are inconvenient both to the traders and the producer-sellers who have often to deal with different commission agents for different commodities. This naturally delays disposal of daily arrivals. Compact market yards on the other hand do not present such difficulty but look very congested and insanitary, specially during the peak season. The foregoing defects in extensive yards can, however, be minimised by providing centralised auction halls like those at Kolhapur so that the buyers and sellers do not have to waste their time in moving from one corner of the market yard to another.

Provision of good and spacious yards will be of little avail if they cannot be maintained properly. It has been observed that in some well laid-out market yards, controlling authorities have allowed the construction of some retail shops on an unplanned basis. As a result, these yards appear congested and movement of incoming and outgoing traffic has become rather difficult.

3.7. Standard layout for market yards.—The Indian Standards Institution has now standardised layout plans for different categories of market yards. According to these standards, market yards have been divided into four categories, 'A', 'B', 'C' and 'D', based upon daily arrivals. Category 'A' includes those market yards where daily

arrivals exceed one thousand carts or 500 metric tonnes, 'B' between 501 and 1,000 carts or 251 and 500 metric tonnes, 'C' between 251 and 500 carts or 125 and 250 metric tonnes, and 'D' less than 250 carts or 125 metric tonnes.

These standards also lay down certain prerequisites before finally selecting sites for market yards. These relate to its distance from the residential areas, distance from the main approach road, distance from the railway station, availability of water and electric supply, etc. These standards, also define the minimum area required by each of the 'A', 'B', 'C' and 'D' categories of market yards providing minimum amenities therein. The detailed standards have been published by the I.S.I. in their publication No. I.S. : 1947—1959 for agricultural commodities, No. I.S. : 1787—1961 for fruits and vegetables, No. I.S. 1788—1961 for cattle and No. I.S. : 2059—1962 for tobacco. These standards will be of good guidance in laying out and developing of market yards in future by the market committees in various States.

3.8. Ownership of yards.—While a fairly large number of market committees have market yards, the ownership of the yards in many cases does not vest in the market committees, except in the States of Gujarat, Madhya Pradesh, Mysore and Punjab as is evident from Table 5 on pages 44 and 45.

The ownership of the yards has been a limiting factor in bringing about the required improvements and providing amenities in market yards. Market committees are, therefore, reluctant to make any investment in bringing about improvements and for providing amenities in such yards. The owners, on the other hand, having no interest, are not inclined to invest either, but only collect the rentals. This calls for a thorough reappraisal of the present situation and the Government should assist the market committees in outright acquisition of these sites. It is not that shops for retail traders and others should not be provided in the market yards, but these should be included at the time of preparing the layout plans, and once the market has been constructed, haphazard expansion should be avoided.

TABLE 5
Ownership of market yards of the reporting regulated markets

State	No. of reporting markets	No. of markets having yards	Market yards owned by						Cantt. Board/Local authority/Merchants' Association
			Market committee	Municipality	Govt. or public	Private parties	Gram panchayat	Colonization department	
Andhra Pradesh	37	27	12 (44.5)	8 (29.6)	..	6 (22.2)	1 (3.7)	..	..
Bihar	20*	2	..	..	..	2 (100)	..	..	..
Delhi	2	2	..	2 100	..	..	..	..	..
Gujarat	45	38	34 (89.6)	1 (2.6)	1 (2.6)	1 (2.6)	1 (2.6)	..	..
Kerala	5	5	2 (40)	..	..	3 (60)	..	..	..
Madhya Pradesh	65	51	40 (78.4)	5 (9.8)	4 (7.8)	1 (2.0)	1 (2.0)	..	..
Maharashtra	95	74	48 (64.9)	7 (9.5)	14 (18.9)	5 (6.7)	..	..	..

Mysore	.	.	.	52	28	20 (71.4)	5 (17.9)	1 (3.6)	2 (7.1)	..	..	..
Orissa	.	.	.	17	11	9 (81.8)	1 (9.1)	..	..	1 (9.1)	..	..
Punjab	.	.	.	92	74	3 (4.0)	29 (39.2)	6 (8.1)	30 (40.5)	1 (1.4)	4 (5.4)	1 (1.4)
Rajasthan	.	.	.	20	18	..	4 (22.2)	1 (5.6)	6 (33.3)	4 (22.2)	..	3 (16.7)
Tamil Nadu	.	.	.	75	73	40 (54.8)	..	1 (1.4)	32 (43.8)	..	..	..
	523	403				208 (51.6)	62 (15.4)	28 (7.0)	88 (21.8)	9 (2.2)	4 (1.0)	4 (1.0)

*Most of these are newly opened markets.

Notes.—Figures in brackets are the percentages.

Data based on the survey conducted in 1964-65.

CHAPTER IV

ADMINISTRATION OF MARKETS ACTS

4.1. Role of administration.—While reviewing the administration of Markets Acts under which regulation of markets is carried out, the central theme of these Acts is to be borne in mind. These Acts, while tending to regulate the sale and purchase of agricultural produce at the primary level of marketing and to impose some restrictions on the activities of various market functionaries, actually intend to bring about a socio-economic reform in the field of agricultural marketing. Having regard to the fact that every transaction involves a buyer and a seller whose interests are diagonally opposite, these Acts protect the interests not only of producer-sellers but also of merchant-buyers to facilitate smooth working of the markets without creating any stalemate. The architects of this idea of regulation have, therefore, introduced a democratic pattern of management of markets. Though the Acts provide various penal clauses, regulation of markets is more a developmental activity than a police action. Administration of the Agricultural Produce Markets Act is, therefore, to be viewed in this context. Almost every Act empowers the State Government to delegate any of the powers to the administering authority concerned. The administering authority has, therefore, to be vested with adequate authority through delegation of powers. In short, the market committees have to enforce the regulatory provisions strictly in accordance with the provisions of the Act, rules and bye-laws and the administering authority has to be vigilant to see that the market committees function within the frame-work of the Act, rules and bye-laws for fulfilling the objectives of market legislation.

In addition to what has been stated earlier, it is also necessary that the personnel of market committees, particularly the top executive officers like secretaries, key market superintendents and assistant secretaries, who constitute the pivotal force behind the market committee in its day-to-day working, should be well-versed in the techniques of marketing. They should be men with adequate experience and training. They should have incentives for turning out good work

without fear or favour and for this they must have not only suitable pay scales but also chances for promotion to higher categories.

4.2. Administrative authorities in different States.—The administration of the Agricultural Produce Markets Acts is dealt with by different departments in different States. In Bihar, Rajasthan, Madhya Pradesh, Tamil Nadu, Uttar Pradesh, Tripura and Himachal Pradesh, the Director of Agriculture is in charge of administration of the Markets Acts. In Andhra Pradesh, the Director of Marketing, who is independent and directly responsible to the Government, administers the Act. In Maharashtra, Gujarat and Mysore, the administration of the Acts has been entrusted to the Registrars of co-operative societies. In Orissa, the Director of Markets under the Development Department was charged with a similar task in the beginning. Presently, however, the Registrar of Co-operative Societies has been put in charge of the regulated markets. These officers act as liaison officers between the State Government and the market committees. They are mainly concerned with policy issues affecting the regulation of markets, while the detailed work is entrusted to officers generally next in rank, viz., Joint Directors, Deputy Directors of Agriculture (Marketing) and Joint Registrars (Marketing). In some States, besides the competent authorities and the market committees, District Collectors have also been vested with certain powers, viz., issuing licences to the traders and performing functions of the market committee in the event of its dissolution (as under the Madras Commercial Crops Act, 1933); delimitation of constituencies, determination of names of persons qualified to vote, preparation of voters' list, election of Chairman, and Vice-Chairman on the expiry of their terms of office, appointing a panel of persons for settling disputes, calling special meetings, cancelling or suspending licences on the recommendation of the market committee (as under the Bombay Act); and hearing of appeals and calling for special meetings (as in Madhya Pradesh). Under the Punjab Agricultural Produce Markets Act, 1939, the administration of Markets Act was vested with the Deputy Secretary, Revenue Department, working through the Deputy Commissioners. This arrangement in Punjab was not found to be conducive to effective enforcement of the objects of market regulation and under the new Punjab Act, 1961, which repeats the Punjab Act of 1939, some powers like

calling for information or returns relating to the agricultural produce from a market committee or a dealer or a godown keeper or other functionaries and accounts of any dealer, godown keeper or other functionaries for that purpose are vested in the State Agricultural Marketing Board. Further, the Board is empowered to transfer the Secretary or an employee of one committee to another. The Board is also empowered to issue licences for purchase, sale, storage or processing of notified agricultural produce. It can also make a market committee adopt a new bye-law or carry out an amendment, alteration, or recession of any bye-law.

4.3. Division of administrative powers.—The details of powers vested in the Government and those delegated to the administrative authority and among other officers like Collectors or the Chief or State Marketing Officers or Director of Marketing as in Andhra Pradesh under the different Markets Acts in force have been given in Appendix VII.

From a review of the information given in this Appendix it emerges that the responsibility to declare a market area (except under the Gujarat Act where this power is vested in the Director), to notify commodities as agricultural produce, to establish market committees under the Act, to permit market committees to raise loans (except under the Maharashtra Act where the Director is empowered), to supersede market committees, to make rules, to incorporate market committees, and to determine the cost of special staff on account of market committees, etc., is vested in the State Governments concerned. In all the States except in Mysore, the State Governments are also empowered to remove any member or members of the market committee from office. A specific provision has also been made under the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966 [Sec. 5(5), 5(7)] empowering the State Government to remove the Chairman or Vice-Chairman or a Member of a Market Committee. All State Governments have also reserved for themselves the right to nominate a certain number of members on the market committees. Under the Tamil Nadu, Hyderabad, Bihar and Mysore Acts, the power to appoint secretaries or to lend their services to market committees also vests in the State Governments. The Governments also act as appellate authority to decide cases regarding issue and cancellation of licences to dealers by the market committees. Under the Punjab Act of 1961, the

power to exercise many of the functions, viz., declaration of the notified market area, establishment of markets and market committees, constitution of the market committees, removal and nomination of members of the market committees, determination of the strength of the market committees, which were previously discharged by the State Marketing Board under the PEPSU Act, has not been vested in the State Agricultural Marketing Board constituted under the Act, but has been taken over by the Government itself.

As regards the direct administrative control over the market committees, in almost all the States, the powers are vested in the Directors of Agriculture or Registrars of Co-operative Societies and as regards some items in the District Collectors also. In Bihar, Rajasthan, Tamil Nadu, and Madhya Pradesh some powers in this regard have been delegated to the State Marketing Officers. In Mysore, the Chief Marketing Officer (Registrar of Co-operative Societies) and the Joint Registrar of Co-operative Societies (Marketing), share these responsibilities. In Maharashtra, the Chief Marketing Officer (now redesignated as Director of Marketing and Rural Finance) is empowered to exercise control over the market committee staff. Further, all the bye-laws framed by the Market committee must have his prior approval. After the passing of the Zilla Parishad Act in 1962, there has been further decentralisation of powers and some of the powers exercised by the Director of Marketing and Rural Finance have now been vested in the Joint Divisional Registrars. These include powers for regulation of new markets; issue of preliminary and final notifications for regulation of markets; inclusion or exclusion of market areas; inclusion or exclusion of agricultural commodities in the areas already notified; issuing notifications regarding establishment of market committees; establishment of markets and incorporation of market committees; nomination of members on the newly constituted market committees, etc.

Under Sec. 97 of the Mysore Agricultural Produce Marketing (Regulation) Act, 1965, panchayats are empowered to work as agents of market committees. The relevant rules provide:

1. Subject to such rules as may be prescribed, a market committee may, with the consent of the Panchayat having jurisdiction within the market area, appoint such

Panchayat as the agent of the market committee, for exercising such powers, performing such duties inclusive of any of the powers and duties relating to sub-markets or sub-market yards of the market committee in the area of such Panchayat subject to such conditions as may be prescribed by the bye-laws.

2. The power entrusted to the Panchayat shall include the power to levy and collect market fees.
3. 75 per cent of the market fee so collected shall be retained by the Panchayat and credited to the Panchayat fund and 25 per cent paid to the market committee.
4. The market committee shall pay annually to every Panchayat entrusted with powers and duties a sum equal to 75 per cent of the licence fee collected from market functionaries exclusively in the area under the jurisdiction of such Panchayat.
5. The market committee may give initial financial assistance by way of loan without interest, repayable at such times and in such instalments as may be agreed upon.

In no other Act has a provision of this kind been made and the results of making such a provision in the Act will be watched with great interest.

4.4. Administrative pattern and efficiency.—Having reviewed the administrative patterns obtaining under various Markets Acts, it will be useful to examine the merits and weaknesses in the different patterns so as to identify one common pattern that would be conducive to administrative efficiency and to the attainment of the objectives envisaged under the Markets Acts.

The first point to be examined is the role of the District Collectors or other revenue authorities who have been vested with certain powers in some of the Acts.

This subject of administration of Markets Acts through revenue agencies has time and again been examined by various Expert Committees and others who have invariably favoured transferring the administration of the Acts to the marketing organisations in the States. For instance, the Marketing Sub-Committee of the Policy Committee on Agriculture,

Forestry and Fisheries, appointed by the Government of India in 1945, observed that "in every province and State, Government Marketing Department should be made directly responsible for having the initiative to establish regulated markets and it should be closely associated with the administration of these markets"

The Rural Marketing and Finance Sub-Committee of the National Planning Committee of the Indian National Congress presided over by late Shri Jawaharlal Nehru in 1938 observed that "the control by the Collector has not always been conducive to the growth and efficiency of the market" and "there is much to say in favour of the Hyderabad policy where the administration is entrusted to the Chief Marketing Officer" (now the Director of Agricultural Marketing, Andhra Pradesh).

The Cotton Marketing Committee appointed by the Government of India in 1951 observed that "the administration of the Punjab Act is in the hands of the Deputy Commissioners (this has since been changed under the Punjab Agricultural Produce Markets Act, 1961) who have hardly any time or technical knowledge or assistance to guide the activities of the market committees". The Committee recommended that "to ensure necessary technical guidance and supervision, local marketing staff should be made responsible, where it has not been done, for the administration of the local market". At the conference on Marketing and Co-operation held at Hyderabad in November 1955 it was recommended that a separate Marketing Department for administering the Markets Act and for promoting other marketing development work may be set up. The Bombay Experts Committee appointed to review the working of the Bombay Agricultural Produce Markets Act, Rules and Bye-laws recommended in 1955 that the Director of Agricultural Marketing, who is presently held responsible for the administration of the Act, should be vested with all the powers presently exercised by the Collector and that he should discharge this responsibility through a technical officer like the Chief Marketing Officer, who may act as a guide to the Market Committees and adviser to the Government in matters relating to agricultural marketing.

The Collectors, because of their multifarious responsibilities, have not been in a position to justifiably attend to the affairs of regulated markets whenever they have been

required to do so. Thus, while they might assist the Government in nominating newly established market Committees, as provided under almost every Markets Act, and also in putting the affairs of such committees on a firm footing, they should not have any direct responsibility in their administration. The collectors should not have powers for taking over the duties of a market committee once its term expires. Similarly, they should not be appointed as members or chairmen of the committees.

It is to be examined next whether the administrative authorities under the different Acts, viz., the Directors of Agriculture or the Registrars of Co-operative Societies, who are saddled with heavy responsibilities of their own, are in a position to devote enough time to the administration of the Markets Acts, considering that, with the increase in the number of market committees and commodities notified the work of the administering authority has also increased manifold. The above administrative arrangements were discussed at the Conferences on Co-operation and Marketing held at Hyderabad and Jaipur in November 1954 and February 1955 respectively and also at the Seminar on Regulated Markets held at Mysore in January 1959. Although strong arguments were put forward in favour of each of these three patterns, considering the highly specialised type of work connected with agricultural marketing and also the expanded programme for the development of markets in the States, the consensus was for the creation of independent marketing departments in the States. This has already been given effect to in Andhra Pradesh where a separate marketing department, which formerly functioned as a wing of the Agricultural Department with a State Marketing Officer at its helm, is functioning since February 1962, with the Director of Marketing as the Head of the Department. To further ensure technical and administrative efficiency, the staffing pattern recommended by the Agricultural Personnel Committee appointed by the Planning Commission deserves consideration. This Committee has recommended the appointment of one Marketing Officer (Class II) for every two districts and one Senior Marketing Officer (Class I) for a group of 10 districts. The responsibility of these officers among other things will be to (i) conduct a marketing survey of agricultural commodities and determine the marketable surplus, and on the basis of data so collected recommend establishment of regulated markets for such areas, (ii) help market committees in framing Bye-laws, (iii) scrutinise the budgets, (iv) compile and disseminate market

information. Mysore is the only State to have more or less adopted the above pattern.

4.5. Autonomy of market committees.—The relationship of the market committees with the Government and Government officers has been a debatable subject. The protagonists of self-improvement stress the importance of maximum autonomy for the market committees, but practical considerations such as illiteracy, poverty and indebtedness of the cultivators; their present inability to exercise their rights; existence of powerful vested interests; and general lack of realisation of the importance of market reforms, however, indicate the need for considerable direction, supervision and guidance from technically qualified Government staff for successful implementation of the Markets Acts. In so far as over-all administration of the Act is concerned this can be done, as indicated in previous paragraphs, by vesting all administrative powers, other than those vesting in the Government, in the State Marketing Departments. Collectors and Deputy Commissioners may not, however, be altogether eliminated from this field, as they can be very useful in matters like conduct of election of members, acquisition of land for the market yards, co-ordination work, etc. In all other respects a market committee should be free to exercise its own discretion and should not be unduly fettered with official procedure.

4.6. Marketing Advisory Committees.—Advisory committees at both the State and regional levels will be of help in uniform enforcement of the Markets Act and the Rules within the State. Such advisory committees will not only provide a liaison between market committees and the administrative authority but will also be in a position to give their considered and unfettered opinion for the welfare and promotion of regulated markets in the State as a whole. Regional advisory committees were functioning in Maharashtra and Gujarat States and also in Karnatak division in Mysore under the Bombay Act to assist the market committees in solving their difficulties and to interpret their viewpoint to the Government and the departments concerned. The regional committees in Gujarat and Karnatak in Mysore had done good work in this regard.

Section 4 of the Punjab Agricultural Produce Markets Act, 1961, provides for the formation of advisory committees for the different regions. Similarly, Chapter IX of the Rules framed

CHAPTER V

MARKET COMMITTEES

5.1. General.—A market committee established under the Markets Act is saddled with the responsibility of enforcing within the notified area the different provisions of the Act, the Rules, and the Bye-laws framed thereunder. Furthermore, the Act enjoins upon a market committee to establish markets within its market area and provide necessary facilities to persons using it for orderly marketing of agricultural produce as directed by Government from time to time. Such facilities may include competitive conditions for the sale and purchase of agricultural commodities, storage facilities, arrangements for weighment and prompt payment, provision of amenities in the market yard such as drinking water, rest houses, cattle sheds, cart parks, roads, covered pucca platforms, lighting and sanitary arrangements, etc. A market committee is, therefore, the pivot of the whole mechanism designed to improve the standards of marketing within its jurisdiction.

5.2. Number of members.—Market committees are corporate bodies comprising members representing various interests involved in the sale and purchase of agricultural produce. The total numerical strength of the members and its distribution among the various interests as prescribed under the different Acts has already been indicated in Vol. I (Legislation) of the Report on Regulated Markets. There is a great heterogeneity in the composition and constitution of market committees as provided in the various Acts. Under the Tamil Nadu, Mysore and Hyderabad Acts and under the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966, a range has been prescribed for the number of members constituting the market committee, leaving it to the State Governments to decide the exact number of members to be prescribed for each individual market committee as is deemed necessary. Under the Bombay, Bihar, Orissa, Maharashtra and Rajasthan Acts, the strength of members constituting a market committee has been fixed at 15. Under the Madhya Pradesh and Gujarat Acts, this number has been fixed at 17. Under the Punjab Act of 1961, a market committee has to consist of

either 16 or 9 members depending on the importance of the market and the volume of business expected to be handled in the market. Under the Uttar Pradesh Act (the Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964), the market committee is to consist of 19 members or more in cases where more than one local bodies are exercising jurisdiction over the principal market yard or part thereof.

The strength of market committees prescribed under the various Acts does not seem to be based on any specific consideration like the area or interests served or the number of sub-yards under the management of a market committee, or the volume of business likely to be done. This is evident from the fact that in the case of market committees constituted under the Madras Commercial Crops Act in force in Malabar District of Kerala or under the Madras Agricultural Produce Markets Act, 1959, in Tamil Nadu, the maximum strength of members has been fixed at 18, even though the notified area of these market committees extends to an entire district. On the other hand, the market committees in the Punjab, whose notified area extends to only half of a tehsil, may have as many as 16 members. In the Telengana area of Andhra Pradesh, there are more than one markets in some of the talukas, but each of these markets has a full-fledged market committee consisting of 12 members.

The instances cited above clearly indicate that there is a need for rationalising the strength of market committees based on some set principles so that the members may not be too many in some and too few in others, upsetting the balance of legitimate representation of various interests. As for example, if vegetables and cattle are also notified for regulation in a market handling other staple commodities and/or commercial crops, the number of members of such market committees should be larger than the one in which only commercial crops or only staple commodities are dealt with. Similarly, due consideration should also be given to the cultivating population, the area served, volume of arrivals and the number of yards or sub-yards to be managed by the market committee. A due regard to these variables will naturally mean variation in the number of members for different market committees. The best thing, therefore, would be that the total number of members constituting a market committee should neither be too large as to create

vested interests nor too small to bar adequate representation of different interests.

The Seminar on Regulated Markets held at Mysore in January 1959 also considered this question. The consensus was that the total strength of a market committee should be such as to accommodate various interests in proper proportions and further "it should be so prescribed as to permit its expansion wherever necessary with due regard to the volume of arrivals and the attendant work in the market". It therefore recommended that the number of members on market committees should be kept flexible, ranging from 12 to 18, depending upon the size and type of market to be controlled. When a range is given, the intention is that the State Government concerned should weigh the various considerations and prescribe the number, if necessary, by categorising them instead of fixing the strength at some figure for all market committees.

5.3. Representation of various interests.—The composition of market committees as provided in various Acts is also very heterogeneous. While some Acts provide for representation to growers, traders and commission agents besides some Government nominees, some others allow representation to local bodies, warehousing corporations, co-operative banks, co-operative marketing societies, and functionaries like weighmen, and co-operative societies of other kinds. The composition of market committees under different State Acts is given in Table 6 on page 58.

Co-operative marketing societies which obtain traders' licences from the market committees have been given exclusive representation, which works out to 13 per cent of the total strength on the market committee under the Bihar Act. Exclusive representation to this extent is also given to co-operatives under the Markets Acts of Orissa, Rajasthan, Punjab, Maharashtra, Gujarat, Andhra Pradesh and Mysore. In Tamil Nadu, where no exclusive representation is given to the co-operatives, they are entitled to vote in the traders' constituency.

Exclusive representation (6 per cent of the total seats) is also given to the co-operative financing agencies under the Bihar Act. In Rajasthan also, representation has been given to financing agencies but such agencies have been included in the constituency of co-operative societies. No specific mention has been made in the other Acts about giving representation to the financing agencies.

TABLE 6

Composition of market committees under different Markets Acts

Sl. No.	Particulars	Andhra Pradesh	Bihar	Gujarat	Madhya Pradesh	Mysore	Maharashtra	Orissa	Rajasthan	Uttar Pradesh	Tamil Nadu	Punjab
1.	Total number of members	12-16	15	17	17	15	15	15	15	19	18	10 or 17
2.	Representatives of growers	6-8	7	8	10	7	7	7	7	10	9	5 or 9
3.	Representatives of brokers, commission agents and traders	3-5	3	4	5	3	3	4	2	3	4	3 or 6
4.	Representatives of local bodies	..	1	1	1	1	3	1	2	2	..	..
5.	Representatives of Warehousing Corporation	1	..	..	1	..	..	..	..	2	..	..
6.	Representatives of co-operative marketing societies	1	2	2	..	2	1	..	1	1	..	1
7.	Nominees of Government	..	1	2	..	1	1	..	2	1	5	1
8.	Representatives of Co-operative Bank	..	1	..	..	..	..	..	1	..	..	..
9.	Producer-members of the co-operative marketing societies	..	..	..	..	..	..	..	..	..	..	..
10.	Others	1	..	..	..	1	..	3	..	..	..	..

Madhya Pradesh and Uttar Pradesh Acts provide for representation (one seat which works out to 6 per cent of the total) to the warehousing corporation established in the market area.

Representation to an extent of 20 per cent of the total seats is given to local bodies in all the Acts. Under the Madhya Pradesh Act, one seat is given to local bodies.

Besides giving representation to the various interests mentioned above, there is provision under the different Acts (except in the case of the Madhya Pradesh Act) for the State Government concerned to nominate a specified number of persons on the market committees. These include officials of the State Government as well as non-officials whose presence on the market committee is considered useful for its proper functioning and who are expected to give the committee the benefit of their expert knowledge. The percentage of such official nominees varies from as high as 28 under the Madras Agricultural Produce Markets Act to nil under the Madhya Pradesh Act.

The above discussion regarding composition of market committees indicates that in most of the States the representation allowed to the growers, whose interests are sought to be protected under the Markets Acts, is far from adequate. Ordinarily, a simple majority of the growers over the traders should be adequate to meet the exigencies of situation but the producers being scattered over the market area, their preoccupation with agricultural operations on the farm and more often their disinterestedness in public activities makes it imperative to provide for the growers at least fifty per cent representation in the market committees if their interests are to be properly protected. A similar recommendation was also made by the Royal Commission on Agriculture as early as 1928 and was later reiterated by the Bombay and Hyderabad Expert Committees appointed a few years ago to go into the working of the regulated markets in their respective States. This was also stressed at the Seminar on Regulated Markets at Mysore, which recommended that the growers' representatives "should not be less than 50 per cent of the total strength" in a market committee.

Co-operative marketing societies have not been given the position they deserve in the management of regulated markets. It may be true that the co-operatives had not assumed any significant importance in the field of marketing at

the time of the enactment of the Agricultural Produce Markets Acts in some States, but the place that has been given to the marketing co-operatives in our current development plans and the role that they are envisaged to play in future, call for a reappraisal of the existing position. As the number of co-operative marketing societies in the regulated markets is gradually increasing, it becomes all the more necessary to ensure their participation in the management of market committees. The Committee of Direction of the All India Rural Credit Survey, appointed by the Reserve Bank of India also strongly recommended that "whenever a regulated market exists in the area of operation of a marketing society, the local marketing society (as also the local co-operative banking organisation, if any) should have the right to nominate one or two of its members on the market committee". Therefore, in view of the expanding role of the co-operatives and the assistance they are expected to extend to the market committees in the effective implementation of the rules and bye-laws framed under the Acts and in achieving the objective of ensuring a fair return to the producer, all the State Governments should amend their respective Acts to provide adequate representation to these institutions. As already stated, the Bihar Agricultural Produce Markets Act is the only Act which has provided one seat specifically to the co-operative financing agency in the market area besides separate representation to co-operative marketing societies.

Traders' co-operation is essential for the successful working of any market committee. But their representation on the market committee has to be limited so that other interests in a developing society may also find a place on the market committee. Being an organised class, they can effectively represent their viewpoints unlike the economically backward agriculturists. The Seminar on Regulation of Markets held at Mysore, after considering all aspects, recommended that traders' representation on a market committee may not exceed 25 per cent of the total strength of the market committee.

Representation of the local bodies, particularly of the local municipality or of Panchayat Samiti and Zilla Parishad, in the market committee also needs to be accommodated wherever necessary as has been provided under the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963. This would pave the way for close co-ordination

between the local bodies and market committees in bringing about improvement in matters like providing drinking water and light and in maintaining sanitary conditions in the markets.

Government-nominated representatives—both official and non-official—on the market committees have been provided for under most of the State Acts. Officials well versed in the techniques of marketing and local problems do contribute in no small measure in properly shaping up the working of the market committees and in solving intricate issues that may face the market committees. Their administrative experience and ability may also be taken advantage of by the market committees. The official or officials should be able to effectively function as guiding factors and attend the meetings regularly as part of their duty.

Experts in the field of production and marketing of agricultural produce may not be always inclined to stand for elections because of many considerations. But market committees can ill afford to lose their advice and guidance. Hence the need for their nomination on the market committees.

5.4. Constitution of market committees by co-operative marketing societies.—The Madras Agricultural Produce Markets Act, 1959, and the Madhya Pradesh Agricultural Produce Markets Act, 1960, are the only two Acts which contain specific provision for the constitution of market committees by co-operative marketing societies.

The proviso that was incorporated in 1947 by amending the Central Provinces Agricultural Produce Markets Act, 1935, and the Central Provinces Cotton Markets Act, 1932, whereby the management of regulated markets could be entrusted by Government to co-operative institutions, continues to find place in the Madhya Pradesh Agricultural Produce Markets Act, 1960. As per Section 10 of the Act, the managing committee or the governing body of a co-operative society can function as a market committee, if it is desirous of doing so, provided the Government is satisfied that the society is representative of agriculturists within the area served by the market and is capable of managing the market in a satisfactory manner.

Under the Madras Agricultural Produce Markets Act, 1959, also, a proviso under Section 10 empowers co-operative marketing societies to constitute market committees. But under this Act, unlike under the proviso under the Madhya Pradesh Act, the co-operative marketing society appoints 13 persons, nine from among the producers of the notified agricultural produce in the notified area who are also members of the said society and 4 from among those licensed as traders in the notified area in respect of the notified agricultural produce who are members of the said society. The State Government also appoints 4 members. The District Agricultural Officer having jurisdiction over the notified area becomes the *ex-officio* member of the market committee established for such area, thus bringing the total strength to 18. In this way, in the market committees constituted by co-operative marketing societies under the Madras Act, the various interests are duly represented unlike in the committees constituted under the provisions of the Madhya Pradesh Act.

In Madhya Pradesh, in spite of the above provision in the Act, no co-operative marketing society has so far come forward either to take over the management of any of the regulated markets already established or to establish any new market under its supervision and control in areas where regulated markets are yet to be set up. As a matter of fact, in the old Madhya Pradesh some of the markets which were being managed by the co-operatives failed to function satisfactorily because there was no committee representing the various interests as under other State Acts.

In Madras also, it was only as late as July 1966 that the Government issued a notification for the formation of three separate market committees for Madurai, Tirumangalam and Melur Talukas of Madurai District. The formation of three separate market committees for each taluka instead of one for the whole district appears to be a deviation from the normal convention as one market committee is usually established for the whole district. The Government of Madras, however, did not agree but instead have asked the co-operatives to organise co-operative regulated markets in districts like Salem and Dharmapuri where regulated markets are not functioning at present. The management of the above markets by co-operatives, when taken up, would be watched with great interest.

5.5. Appointment of members of market committees.—

There is no uniformity whatsoever in the appointment of members of market committees, particularly those representing the growers' interests. For instance, the Madras Commercial Crops Markets Act, which is presently applicable to Malabar District in Kerala, provides that the grower-members shall be elected from amongst the members licensed under Sec. 5. The Madras Agricultural Produce Markets Act, 1959, similarly provides for the election of grower-members from amongst the producers of notified agricultural produce in the notified area. Under the Rules of the Hyderabad Act, the grower-members are to be nominated by the Collector subject to approval of the Government, while the trader and the local body members are elected from amongst the respective electorates.

Under the Mysore Agricultural Produce Marketing (Regulation) Act, 1965, also, the agriculturist-members are to be elected provided their names appear in the voters' list in the agriculturist constituency of the market area. Under the Bombay Act (which has been adopted by the Union Territories of Delhi and Tripura), the growers are to be elected by the members of the co-operatives functioning in the market area. In the areas where there are no co-operatives, the cultivators with their operational holdings assessable at Rs. 8 and above and residing within the market area only are qualified to vote. In the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, which repeals the old Bombay Act, provision has been made under the Maharashtra Agricultural Produce Marketing Regulation Rules, 1967, for direct elections, dividing the market area into seven single-member constituencies, each returning one candidate.

Under the PEPSU Act which has been extended to Himachal Pradesh, the agriculturist-members are to be appointed by the State Marketing Board out of a panel of names, equal to twice the number of vacancies to be filled in, given by the Nazims of the concerned district.

The Punjab Act of 1961 provides for election of agriculturist-members by the *Panchas* and *Sarpanchas* of the Gram Panchayats situated within the notified market area.

Under the Madhya Pradesh Agricultural Produce Markets Act of 1960, the growers' representatives possessing such

qualifications as may be prescribed are to be elected by an electoral college consisting of (a) *Sarpanch* and *Vice-Sarpanch* of each gram panchayat in the market area, and (b) the Chairman and Vice-Chairman of the managing committee of each of the service co-operative societies and credit co-operative societies including large sized co-operative societies in the market area and having members not exceeding 50, provided that when the membership of any such co-operative society exceeds 50, an additional member for each 25 members, shall be nominated by such society.

The trader-representatives are to be elected by the traders holding licences under the Act in all cases and there is no variation in the procedures adopted in this regard.

The representatives of local bodies are also directly elected by the members of the district board or by the municipality in which the market is situated.

There has been considerable difference of opinion as to the method of appointment of members, whether they should be elected or nominated. While some hold the view that the grower-members on the market committees should be nominated there are still others who favour election of growers' representatives to make the market committees truly democratic bodies. Those who advocate nomination of the grower-members on the market committee contend that the agriculturists under their present conditions of illiteracy and ignorance and also being in the grip of commission agents and traders, may not return the right type of representatives who would safeguard their interests against the more intelligent and powerful traders. The other reason adduced against election is that the system of election of the growers' representatives is very expensive, involving expenditure of huge sums by market committees amounting to anything upto Rs. 20,000 even, particularly where the notified market area extends to the whole district as in Madras. Such huge expenditure, in their opinion, is wasteful and will not justify the beneficial effects, if any, derived. On the other hand, the amount spent on elections could be better utilised on developmental work in the market yards. Market committees cannot afford to spend such sums out of their meagre resources and if they do, they do it at the cost of more pressing needs. Besides the expenditure by the market committees, candidates who contest the elections have also to incur considerable expenditure. For these reasons many of the influential and experienced producers do not like to stand for elections.

Those who favour elections of growers, brand nomination as a retrograde step. They feel that the growers are quite responsible and competent to steer the market committee's work in their own interest. In their opinion the elections will make the market committees more responsive to public opinion.

The Expert Committee which have reviewed the Bombay Agricultural Produce Markets Act, 1939, and the Madras Commercial Crops Markets Act, 1933, have also expressed divergent views on this issue. While the Bombay Expert Committee is in favour of a fair representation of the growers through elected representatives at a reasonable cost, the Madras Expert Committee observes that "since election does not serve the purpose for which it is intended, namely, having the real representatives of the growers, it is suggested that the members of the committee may be nominated". The recommendation was, however, not accepted by the then Madras Government and the new Madras Agricultural Produce Markets Act, 1959, provides for election of grower-members. The solution offered by the Bombay Expert Committee to economise in election expenditure is to give indirect representation in the agriculturists' constituency and thereby obviate the need for enumeration of all growers of notified agricultural commodities in the market area and the preparation of a voters' list. They recommend "that the members of the managing committees of agricultural co-operative societies and the members of village panchayats in the market area and the members of the district local board residing within the market area, other than those who hold a licence from the market committee or have interest in such a licence, should be considered as voters of the agriculturists' constituency". [The new provision in the Maharashtra Agricultural Produce Market (Regulation) Rule, 1967, however, is contrary to this recommendation.]

The Mandi Reorganisation Committee set up by the then Madhya Bharat Government to review the rules and regulations under the "Madhya Bharat Agricultural Produce Markets Act, however, recommended for giving a limited franchise to the cultivators who were either members of a co-operative or paid at least Rs. 25 as land revenue. This they recommended as only a temporary measure, feeling that "gradually, as the cultivator gains consciousness of his rights and duties, the franchise should be liberalised". In making

the recommendation, the committee probably felt that cultivators were not taking active interest and were hesitant to hold their own decisively against the merchants.

Considering all the arguments put forward by the various committees and also the present democratic way of thinking, it may perhaps be advisable to have indirect elections with the franchise limited to grower-members of the village panchayats and other registered growers' associations including the Farmers' Forum and members of the agricultural co-operatives in the area. The above suggestions have actually been given a practical shape in the Punjab Act of 1961 and the Madhya Pradesh Act of 1960 which provide for indirect elections through an electoral college comprising panchayats, co-operatives, etc.

As regards the traders, representatives, everyone agrees that these should be elected by their respective constituencies since there is a limited electorate and elections do not involve time and money.

5.6. Chairman and Vice-Chairman.—The office of the Chairman of a market committee is considered to be of paramount importance as the responsibility for laying out a general policy and giving proper guidance for the management of the market is primarily that of the Chairman. The Chairman is also the Chief Executive Officer of a market committee excepting of course in the markets established under the Madras Commercial Crops Act, where the executive powers since 1948 have been vested in the Secretary. Under the other State Acts it is the duty of the Chairman to control and direct the activities of a market committee and see that the rules and bye-laws are properly enforced and not disregarded or abused and that the resolutions of the market committee are properly implemented.

In all the Acts, therefore, it has been laid down that every market committee shall have a Chairman and a Vice-Chairman from among its members.

With the exception of the Orissa Act which provides that the Chairman and the Vice-Chairman are to be nominated by the State Government, all other Acts provide that the Chairman and the Vice-Chairman shall be elected by the market committee from amongst the members constituting the market committee.

Some Acts have, however, specifically provided the constituencies from which the Chairman and Vice-Chairman shall be elected. For instance, in the Andhra Pradesh Act it has been provided that the committee may elect a Chairman and a Vice-Chairman from amongst the members excepting the officers of the Agricultural or Animal Husbandry Departments nominated to the Committee by the State Government.

The Gujarat, Mysore and Madras Acts specifically prescribe that both the Chairman and the Vice-Chairman shall be elected from amongst the members representing the agriculturists, while the Uttar Pradesh Act prescribes that the Chairman and the Vice-Chairman shall be elected from amongst the members of the market committee or from the producers' constituency only. Under the Maharashtra Act, the Chairman and the Vice-Chairman can be elected from amongst the members representing growers, traders and co-operative societies. Under all the other Acts, the market committee may elect the Chairman and the Vice-Chairman from amongst its members.

Representatives of each of the different classes have been elected as Chairman and Vice-Chairman in one market or the other. Information received from 319 regulated markets indicates that a growers' representative had been elected as Chairman only in 41 per cent of the regulated markets. Government nominees, traders and commission agents and co-operative societies had succeeded in getting elected as Chairmen in 27 per cent, 18 per cent and 4 per cent of the market committees respectively. In the remaining 10 per cent of the markets representatives of local bodies and others were elected as Chairmen.

In order to assess the position obtaining in each State, the percentage break-up of various interests holding the office of Chairmen of the market committees is given in Table 7 on page 68.

It will be observed from the table given on page 68 that it is only in the Punjab that growers' representatives have been elected as Chairmen in the majority of the markets. In Maharashtra and Gujarat only a little over one-third of the markets have growers as Chairmen. In Madras (prior to 1962 when the Madras Commercial Crops Markets Act was in

TABLE 7

Number of market committees having Chairmen elected from amongst different interests in the reporting regulated markets

State	Total number of reporting markets	Number of market committees whose chairmen are elected from amongst								
		Growers	Co-operative societies	Commission agents	Traders	Local bodies	Retailers	Consumers	Govt. nominees	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Andhra Pradesh .	39 (100.0)	4 (10.3)	1 (2.6)	2 (5.1)	2 (5.1)	2 (5.1)	..	..	26 (66.7)	2 (5.1)
Madhya Pradesh .	27 (100.0)	9 (33.3)	—	1 (3.7)	13 (48.2)	1 (3.7)	..	3 (11.1)	..	..
Mysore .	41 (100.0)	6 (14.5)	1 (2.5)	—	5 (12.2)	—	..	—	27 (65.9)	2 (4.9)
Tamil Nadu* .	5 (100.0)	2 (40.0)	—	—	3 (60.0)	—	..	—	—	—
Punjab .	96 (100.0)	69 (71.9)	—	4 (4.2)	7 (7.3)	—	7 (7.3)	—	8 (8.3)	1 (1.0)
Maharashtra and Gujarat	111 (100.0)	40 (36.0)	11 (9.9)	1 (0.9)	19 (17.2)	7 (6.3)	..	—	25 (22.5)	8 (7.2)
GRAND TOTAL	319 (100.0)	130 (40.8)	13 (4.1)	8 (2.5)	49 (15.4)	10 (3.1)	7 (2.2)	3 (0.9)	86 (26.9)	13 (4.1)

(Figures in brackets indicate percentage.)

NOTE.—*Position as obtained after the elections held under the old Act. Elections under the new Act have not yet been held as the first market committee under every State Act is to be nominated.

force in place of the Madras Agricultural Produce Markets Act now in force) and Madhya Pradesh, the traders occupied this important office in a majority of the markets. In Andhra Pradesh (in the market committees functioning under the Hyderabad Markets Act) and Mysore it has become customary to unanimously elect either the District Collector or the Tahsildar who happens to be the official Government nominee on the market committee as Chairman.

The election of traders and others as Chairmen of market committees where growers command majority of the votes, shows nothing but lack of interest by the growers in the affairs of the committees. Although there is nothing repugnant in having a trader as the Chairman, specially when some of them have done commendable work, yet, by and large, they very often exploit the market committees in the interest of their own class.

The Madras Expert Committee which examined this question in detail, felt that "in an organisation which is primarily intended for the benefit of the agriculturists, it appears to be anomalous that the position of the Chairman which is an important one should be allowed to be occupied by a trader". The Madras Expert Committee, therefore, recommended that "the Chairman should always be elected from growers' representatives and must always be a grower, whoever the Vice-Chairman be" and the same has since been incorporated in rule 96 of the Madras Agricultural Produce Markets Rules, 1962.

Some people are in favour of having the nominated Government official as a Chairman. They feel that he can exert a profound influence on the committee by virtue of his office. In fact, in the Telengana area of Andhra Pradesh and in the Mysore State, where District Collectors or other Revenue Officers have been elected as Chairmen, the affairs of these market committees have not only been running smoothly but the markets have also been well developed by the nominated Chairmen. Further, they have also contributed in solving many knotty problems.

This issue, whether the Chairman should be an official Government nominee or not, also came up for discussion at the Mysore Seminar. While appreciating the commendable work done by official Chairmen, it was felt that the official influence would not be conducive to the healthy growth of

an institution which is to function on a democratic pattern and, therefore, the Chairman should be a non-official as far as possible, though in the initial stages a market committee may have a nominated Chairman to guide its deliberations and to put it on a firm footing.

5.7. Term of office of Chairman and Vice-Chairman.—There is variation in the rules framed under the various Acts with regard to the term of office of the Chairman and Vice-Chairman. Under the Madras Commercial Crops Markets Act, 1933, a Chairman can continue as such till his term as a member expires or till he resigns or is removed. According to the Gujarat Agricultural Produce Markets Act, 1963, the Chairman or the Vice-Chairman “shall hold office for one year from the date of his election as Chairman or Vice-Chairman as the case may be” but he shall continue to carry on his duties as such till a new Chairman or Vice-Chairman is elected. In the event of resignation or ceasing to hold office for any reason, or death of a Chairman or Vice-Chairman before the expiry of his term, a newly elected Chairman or Vice-Chairman will hold office so long as the Chairman or Vice-Chairman in whose place he is elected would have held it if the vacancy had not occurred. Under the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967, the Chairman and Vice-Chairman shall hold office so long as they continue to hold office as members and continue to do so until their successors enter upon their office. (Under the old Bombay Act, Chairman and Vice-Chairman had to be elected every year.)

Under the Madhya Pradesh Agricultural Produce Markets Act, 1960, a Chairman could hold office for 3 years from the date of his election, provided that on the expiry of the term of office, he shall continue to carry on the duties of Chairman/Vice-Chairman as the case may be till a new Chairman/Vice-Chairman is elected. Under the Mysore Agricultural Produce Marketing Regulation Act, 1965, “the Chairman and Vice-Chairman shall continue to be in office for the term of the market committee and further, on expiry of the term of office of the Chairman/Vice-Chairman and of the Market Committee, the Tahsildar of the Taluk in which the yard is situated shall exercise the powers and perform the functions of the Market Committee and its Chairman until the Market Committee is reconstituted and its Chairman elected.”

The term of office of the Chairman and Vice-Chairman under the Punjab Act of 1961 "shall be co-terminus with the term of office of the members who had elected them".

Under the Bihar Act of 1960, the term of office of the Chairman has been fixed at 3 years from the date of the publication of his name in the official Gazette and "shall include any further period which may lapse between the expiry of said 3 years and the date of first meeting of the next succeeding market committee at which a quorum is present". The system followed in Gujarat appears to be defective for the reason that the Chairman whose tenure is only for one year, can hardly be expected to initiate long-term programmes. He, therefore, interests himself only in such activities which will be completed during the tenure of his office.

Even a two-year period as provided in the Hyderabad Rules may not be very conducive to efficiency in the administration of the market committee. It will, therefore, be more appropriate if the Chairman is allowed to hold office for a period of three years which is the term prescribed under most of the Acts for a market committee to be in office. (Exceptions are as provided under the Madras Agricultural Produce Markets Act, 1959, and the Gujarat Agricultural Produce Markets Act, 1963, where the terms are five years and four years respectively.) It will be further desirable that once a Chairman is elected, he should not have to worry about being dislodged except when there is a no confidence motion against him and it is carried by two-thirds of the members of the market committee. However, in case the administrative authority considers him incompetent to manage the affairs of the market committee, it should be possible for such an authority to remove the chairman and order fresh elections.

5.8. Powers and duties of market committees.—The market committees, being the principal organisations through whom the provisions of the Act, Rules and Bye-laws are translated into practice, are vested with very wide powers. For discharging these responsibilities the committees are given, in all the cases, absolute control of the market yards or sub-yards under their jurisdiction: powers to prescribe the hours of trading, hours of ingress and egress for persons and vehicles, maintenance of all structures; and also power to license market functionaries and exercise necessary control over them (including calling of such information and returns as may be necessary) the power to collect fees, etc. In fact the

market committee is solely responsible for enforcing the provisions of the Act, the Rules and the Bye-laws properly.

For the exercise of the powers every market committee frames bye-laws which are approved by the administering authority. In fact, model bye-laws have been framed by the administrative authorities in some of the States for the guidance of market committees who may adopt them with variations to suit local conditions. It is only after the bye-laws have been approved that a committee is deemed to be fully prepared to embark on the task of enforcing regulation within its jurisdiction and to perform various functions for which it had been set up.

Among the provisions made in the bye-laws some of the important ones relate to the conduct of business, and to the conditions for granting licences to various categories of functionaries operating in the markets. The Bye-laws prescribe the duties and obligations of the licenses, maintenance of accounts and registers in the prescribed manner, trade allowances, etc. Another important provision in the bye-laws is that relating to arbitration of disputes and the fees that may be payable for the purpose. The remuneration to be paid to the various market functionaries for the services rendered by them is also prescribed. The bye-laws are subject to the approval of the administering authority.

5.9. Staff of market committees.—For the discharge of functions enumerated in the foregoing paragraphs, each market committee appoints its own staff. This usually consists of a Secretary or Superintendent, Market Inspectors, auctioneers, clerks and other staff who are charged with the day-to-day conduct of business.

Generally speaking, the appointment of the staff of the market committee is left to the market committee itself subject to the rules and regulations prescribed in this regard. However, in some of the States, key personnel, *i.e.*, the Market Secretary or the Superintendent are either appointed by the Government or the services of experienced persons are placed at the disposal of the market committee. For example in Tamil Nadu the services of qualified and experienced persons are lent to the market committee. Important District Market Committees in the State have Gazetted officers from the marketing wing of the Agricultural Department as Secretaries. Provision has also been made for promoting employees of market committees to half the number of posts of Secretaries of market committees. In Andhra Pradesh, Kerala and Mysore

also, the services of the officers of the Marketing Department are lent to the market committees for appointing them as secretaries. As per the Bihar and Uttar Pradesh Acts, every market committee shall have a Secretary appointed by the State Government on such terms and conditions as may be prescribed. Under the Hyderabad Act appointments of Market Superintendents are made by Government and their salaries, etc., are met out of the contribution of a certain percentage of the income of the market committees to the State exchequer. In Orissa, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra, the market committees are empowered to employ such officers and servants as may be necessary for the efficient execution of their duties and they may pay the officers and servants such salaries as they may think fit. In Punjab and Himachal Pradesh where the administration of the Acts is vested in the State Marketing Boards the Boards appoint the Market Secretaries.

5.10. Market Secretaries, their qualifications, terms of appointment, etc.—The Secretary of a market committee under the Madras Agricultural Produce Markets Act, 1959, or the Market Superintendent (Market Motimin) in the erstwhile Hyderabad State or the Darogha in the erstwhile Madhya Bharat markets is the chief executive officer and is of vital importance from the point of view of the administration as well as enforcement of the provisions of the Act, and the Rules and Bye-laws framed thereunder. Under the Maharashtra, Mysore and other Acts the Chairman is the chief executive officer and the entire staff works under him. In practice, however, the staff works under the administrative control and supervision of the Secretary who in turn is responsible to the Chairman of the market committee. Virtually in all the States the Secretary, assisted by other staff, is chiefly concerned with the enforcement of various provisions of the Act, Rules and Bye-laws and the resolutions passed by the market committee.

There is difference in the recruitment and service rules prescribed for the post of Secretary under the various State Acts. Under the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967, employees of the market committee are classified into 3 classes, viz., officers, superior servants and inferior servants. Secretaries, Joint Secretaries, Deputy and Assistant Secretaries and Accountants are classified as officers. No appointment to any of these posts can be made unless

it is made in accordance with the bye-laws made for the recruitment to such posts. Further, no new post can be created or, no existing post can be abolished, no appointment to any post (excepting a temporary or officiating appointment to any post for a period not exceeding six months) can be made and no person in the service of a market committee can be removed from service or reduced in rank as a measure of retrenchment or economy, except with the previous approval of the Director. The Rules also provide that "no order of dismissal, removal or reduction shall be passed on any servant of the Market Committee (other than an order based on facts which have led to his conviction in a criminal court) unless a resolution recommending dismissal, removal, or reduction in rank is passed by two-thirds of the members of the Market Committee and that the person concerned has been informed in writing of charges against him and opportunity of being heard in respect of those charges is given".

The Andhra Pradesh (Agricultural Produce and Live-stock) Markets Act, 1965, provides that "the market committee may, subject to such rules as may be framed by the Government in this behalf, appoint such officers and servants as may be necessary for the management of the market and pay the officers such salaries as may think fit and shall have power to control and punish them." This is a clear departure from the rules made under the Hyderabad Markets Act under which no Market Committee was empowered to appoint a Market Superintendent. The authority for this was vested with the Director of Marketing, Andhra Pradesh, who was also empowered to transfer Superintendents from one market committee to another. The Market Superintendents, in fact, were Government servants. Under the new Act, the State Government can appoint special or additional staff in consultation with the market committee to give effect to the provisions of the Act and for which the market committee may pay out of its funds.

In the Punjab, market committees are not competent to appoint a Secretary but he is a person employed by the Board. In Tamil Nadu and Bihar, the Market Secretary is appointed by the Government and separate service rules have been framed.

Under the Mysore Act (1965), every market committee shall have a Government servant as Secretary appointed by the

State Government or by an officer or authority authorised by the State Government in that behalf. An Assistant Secretary will also be similarly appointed. The Secretary of the market committee is empowered to transfer three-fourths of his staff members, giving reasons for such a transfer.

Under the Madhya Pradesh Act, 1960, a market committee may employ such officers and servants as may be necessary and transfer them for efficient discharge of duties. It may be seen from the above résumé that except under the Bihar, Madras and Mysore Acts where the Market Secretaries are Government servants and under the Punjab Act where they are nominees of the Marketing Board, market committees elsewhere have a greater hand in the appointment of Market Secretaries and prescribing other conditions of their service.

It has, however, been observed that where market committees are the appointing authorities, such committees very often do not comply with the instructions issued by the Director or other authorised officer when he disapproves the action of the market committee in appointing or punishing a Market Secretary. It will be relevant to quote here the findings of the Bombay Expert Committee which says that "in one particular market, the Director's insistence on the appointment of a qualified person as the Secretary in place of the present incumbent has been successfully resisted during the past two years by the Market Committee". What is true here, is equally true of other States also. As a result of this, the Secretary is subservient to the party that controls the market committee and consequently it becomes embarrassing for him to strictly enforce the rules and bye-laws against the ruling party for fear of incurring their displeasure. Under such circumstances, undue advantage is also taken by others to circumvent the rules and bye-laws. If this key post is to be kept free from politics, the Secretary should be a person unconnected with local influence. It would thus be desirable that the Secretaries are Government employees and their services are lent to market committees. Further, as provided under the Madras and Hyderabad patterns, experienced and qualified persons in the service of market committees satisfying the prescribed conditions laid down for the Secretaries' posts should also be given chance for promotion to the posts so that they evince greater interest in their work. The Secretaries should also be vested with sufficient powers to enforce the provisions of the Markets Act, Rules and Bye-laws.

In the matter of pay also, there is great variation from State to State and even from market to market within a State. In the Punjab, for instance, there are Market Secretaries in the pay scales as low as Rs. 50-3-80 and also as high as Rs. 300-15-390. The same is the case in Andhra Pradesh where the pay scales range from Rs. 230 to Rs. 700, Rs. 150 to Rs. 170 and Rs. 80 to Rs. 130 for juniors. The position is much worse in the markets of erstwhile Madhya Bharat where most of the Daroghas (Secretaries) draw pay in the scale of Rs. 60-4-100. There are some market committees which employ even part-time Daroghas on Rs. 50 per month. In Mysore, the pay scales range from Rs. 80-5-100 to Rs. 190-3-40 and in Tamil Nadu the scale is Rs. 375-25-800 for Market Committees with an annual income of not less than Rs. 2 lakhs and Rs. 250-25-500 for markets having income less than Rs. 2 lakhs.

The variation in scales of pay, etc., depending on the stature of the market committee, etc., is understandable to some extent. But wide variations and very low scales of pay are detrimental to the interests of the market committees. Management of regulated markets is a responsible job requiring complete familiarity with the Act, Rules and Bye-laws, tactful handling of conflicting interests and integrity of judgment and action. The Secretary has also to work with a missionary zeal to bring in the necessary change in the behaviour of powerful and affluent sections for improving the standards of marketing, because recourse to law is not always possible and in some cases is of little avail and does not bring in the desired effect. The fulfilment of the objects of market regulation, therefore, largely depends upon the quality of the staff, more particularly of the Secretary through whom the market committees enforce the various provisions. It is, therefore, essential to ensure the appointment of the right type of staff and ensure fair and just conditions of service and pay. To attain the objective in its right perspective, it is desirable that the Secretaries should be graduates, preferably in agriculture or commerce, and have special training in the market regulation work. In furtherance of the above objective, the Directorate of Marketing and Inspection, Ministry of Food, Agriculture, Community Development and Co-operation, Government of India, is running centres for training Market Secretaries and other employees of the market committee. The course is of 5 months' duration and two sessions are held every year. Every trainee gets a stipend of Rs. 50 per month

in addition to his usual pay and allowances which are borne by the sponsoring authorities. Till the end of January 1968, the number of candidates who have received this training was 945. The break-up of candidates trained is given in the following table:

TABLE 8

Number of persons trained in the Market Secretaries' course conducted by the Directorate of Marketing and Inspection (upto 31-1-1968)

Sl. No.	Name of State	No. of trainees trained
1.	Andhra Pradesh	146
2.	Assam	5
3.	Bihar	16
4.	Kerala	41
5.	Maharashtra	209
6.	Gujarat	11
7.	Tamil Nadu	23
8.	Madhya Pradesh	42
9.	Mysore	70
10.	Orissa	24
11.	Punjab	69
12.	Rajasthan	87
13.	West Bengal	7
14.	Uttar Pradesh	182
15.	Delhi	3
16.	Himachal Pradesh	2
17.	Tripura	4
18.	Manipur	2
19.	Haryana	2
TOTAL		945

CHAPTER VI

MARKET FUNCTIONARIES

6.1. Need for functionaries.—Unlike in the distant past, when producers used to sell their produce direct to consumers, a very complicated marketing structure has now grown up in moving the farm products from the producer to the ultimate consumer. In between the two, several market functionaries intervene who render important services to both. The farmer of today may be a specialist in raising crops but he is not one in marketing them. He neither has the 'know-how' of the marketing technique, nor can he discharge individually all the marketing functions which the complex system imposes these days. For the marketing of his produce, therefore, he often has to engage an intermediary known as the commission agent or broker who negotiates on his behalf to settle the sale transactions with the buyer. This system of employing a commission agent or a broker is almost universally observed in all established wholesale trade centres. Such middlemen, however, may not necessarily be employed in the villages, where the farmers also may sell their produce, and direct negotiations may take place between sellers and buyers in this case.

Another equally important functionary in the marketing chain is the trader, who purchases commodities for sale at a later date with a profit making motive. Such a buyer may also act as a commission agent for other traders. In addition to these two principal functionaries there are also others, *viz.*, weighmen, *hamals*, warehousemen, surveyors, transport agents, etc., who render necessary service essential in the course of transfer of the produce from the farmer to the ultimate buyer.

6.2. Services rendered by various functionaries : (i) *Commission agents.*—There are two types of commission agents acting as intermediaries between sellers and buyers of agricultural produce. One called *katcha arhatia* acts on behalf of the sellers only while the *pucca arhatia* acts on behalf of the buyers. However, it is not uncommon that the same commission agent may act as both *katcha* and *pucca arhatia*.

He advises his client when to sell, posts him, if necessary, with information relating to the prevalent prices and price trends. He arranges proper exhibition of produce brought for sale to his premises, makes all intending buyers examine the same, drawing their pointed attention to the quality factors of the commodity presented for sale. He thus obtains competitive quotations and finalises the sale. He commands influence at the trade centre and in its vicinity, and thus is in a position to arrange for scales and weights, containers and the labour required. He is responsible for the correct weighment of the produce and the delivery of the same to the buyer. He pays the seller soon after, deducting his commission and other market charges and production loans, if any, advanced by him. He collects the sale proceeds from the buyer later as per the local custom and understanding. Thus, he gives financial support to the buyer in regard to the purchases made by him on any day in his premises and meets the requirement of the seller by promptly paying him the amount due to him. He also provides necessary storage facilities and takes care of the commodity entrusted to him, but he has not got the modern technical skill or equipment necessary for preventing loss and deterioration during storage. This by no means is an exhaustive list of his functions. There are many other services which he usually renders, like provision of board and/or lodging to his clients—both sellers and/or buyers. He thus forms an essential link in the chain of marketing activities.

(ii) *Broker*.—A broker acts as a middleman between buyers and sellers. With his long experience in trade, he knows the sellers' need and the buyers' requirements. He is also quite conversant with market practices and conditions and is in a position to interpret with some confidence the trend of the market. His activity is confined only to bringing together the sellers and buyers and finalising a sale and purchase transaction. He, like the commission agent, is not required either to advance money or to handle any produce or keep records and accounts of transactions. His remuneration, consequently, is less than that of a commission agent, but in proportion to his duties and responsibilities.

(iii) *Trader*.—He has been defined as any person other than a broker, who deals in agricultural produce which is not the produce of his own land. The *adatiya* or agent belongs to this class.

(iv) *Weighman and measurer*.—The weighman is an important functionary. On his honesty and integrity depends the correct assessment of the weight of goods that change title. He is also entrusted with the responsibility of checking the weights and scales prior to actual weighment and satisfy himself regarding their correctness.

The measurement of commodities on volume basis which was very much in vogue in wholesale markets for a long time can be said to have totally disappeared after the introduction of metric weights and measures throughout the country in 1960. So, measurers who used to be important functionaries in wholesale markets have practically ceased to figure in transactions.

These functionaries also obtain remuneration for their services on unit basis or otherwise at the customary or prescribed rates.

(v) *Surveyor*.—A surveyor may be defined as a person who assesses the quality of any commodity. He is a technical hand trained in the determination of quality factors of the produce. His services may be utilised in case of disputes arising on account of variations in the quality of the produce as a result of admixture or otherwise. Sworn surveyors are generally engaged in organised exchanges where their technical skill is often in demand in commodities like cotton. In primary wholesale markets brokers and commission agents themselves perform the duties and the brokerage and commission charges are inclusive of such survey charges and are not separately prescribed.

(vi) *Warehouseman*.—A warehouseman, in the sense intended to mean in the Markets Acts, "is a person who stocks goods belonging to others in lieu of storage charges". These functionaries are necessary when the produce is required to be kept in a godown for a certain period. Strictly speaking, there are only a few persons who exclusively do warehousing business in the private sector as in most cases the commission agents themselves provide the necessary storage facilities in their own way. After the inception of the Central and State Warehousing Corporations, a chain of warehouses have sprung up at market level in the public sector and they are discharging

an important function. A warehouseman charges only the prescribed rates for storage and his duties and responsibilities are duly specified in the Manual for Warehousemen.

(vii) *Hamals*.—They are labourers who handle the produce for unloading and loading, cleaning, stacking, filling the bags, etc. They are also called *palledars* in the Punjab. They are paid remuneration at rates commensurate with their turn-over as per the local conditions.

(viii) *Transport agencies* (*truck owners, drivers, cartmen, etc.*).—As the very name implies, these types of functionaries are engaged in the transport of produce from one place to another within the market area. They are responsible for the safety of the produce as well as the containers while in transit. Their remuneration is fixed on a mutually agreed basis.

6.3. Conditions governing registration (licensing system).—Licensing of functionaries is an important feature of regulated markets as a means of enforcing proper conduct of business and behaviour. The growers visit the market only occasionally, whereas market functionaries work in these markets all the year round. It is their conduct and behaviour which really matter in establishing and maintaining standards in different markets. In fact, the success of market regulation depends largely on their honesty, outlook, co-operation and understanding. The market committees often take suitable action against erring market functionaries in case of non-observance of the conditions of licence.

Under the Punjab Rules which were in force prior to 1961, the licensing authority for the issue of licences to dealers and brokers was the Deputy Commissioner. The applications were, however, required to be submitted through the market committees. The Punjab Agricultural Produce Markets Act, 1961, now vests such powers in the Chairman of the State Marketing Board in respect of dealers and in the Chairman of the Market Committee in respect of other categories of market functionaries such as broker, weighman or measurer, surveyor, godown keeper and *palledar*. The licences are issued as a matter of course, provided the applicants satisfy all the conditions specified in the licence. A procedure similar to old Punjab Rules is followed for the registration of dealers under the Patiala Markets Act (adopted by Himachal

Pradesh except that licences are granted by the State Marketing Board instead of by a Deputy Commissioner. The licences to other functionaries, namely, weighmen, warehousemen and surveyors are issued by the market committees who have no powers to refuse such licences except in cases where a licence has been suspended or cancelled and the applicant has been debarred for a certain period from getting his licence renewed or from getting a new licence.

The Rules framed under the Bihar, Bombay [as also the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963], Mysore (old and new Acts), Orissa and Rajasthan Acts empower the market committees to issue licences to all types of functionaries on the payment of the prescribed fees. However, before issuing any licence the market committees may enquire into the bonafides of the applicant.

The Madras Commercial Crops Markets Act (in force in Malabar district of Kerala) empowers the District Collectors to issue licences to traders, in respect of places used for buying and selling, storing, weighing and processing, and market committees to brokers and weighmen. Originally, the Collectors had full discretion to refuse to grant a licence to any trader but these discretionary powers have now been withdrawn and the Collectors can only refuse to grant licences on specified grounds. With regard to licensing of brokers, the market committees, as provided in the rules framed under the above Act, "shall license such and so many persons as it may from time to time think fit to be brokers or weighmen. Any licence so granted may at any time for sufficient cause be withdrawn by the market committees." Under the Madras Agricultural Produce Markets Act, 1959, which repeals the Madras Commercial Crops Act, 1933, in so far as Tamil Nadu is concerned, powers to grant licences to all kinds of functionaries have been vested in the market committee. The Collector has been vested only with an appellate power in cases where licences have been refused by the market committee.

In spite of the fact that provision exists in almost all the Acts and Rules for the licensing authorities to refuse grant of licences, the issue of licences has become a matter of routine. This, however, should not be the case. The market committees and District Collectors, as the case may be, should thoroughly scrutinise the antecedents of the applicants. As

a matter of fact, it should be made incumbent on a person desirous of taking out a licence to furnish details regarding experience in the trade, residential address, location of trading premises, membership of associations, solvency and encumbrances, etc., which would enable the licensing authorities to assess the fitness of the persons taking out a licence. In fact, the procedure followed by organised exchanges in admitting trading and other persons to do business should also be adopted in the regulated markets, so that market committees may not later find themselves in difficult situations and may not have to suspend or cancel licences. This way they will be able to avoid hindrances in the normal functioning of the markets, through the machinations of unscrupulous functionaries. The prescribed form for grant of licence under the Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964, is given in Appendix VIII.

6.4. Licence fees.—Licence fee is not considered as a main source of income of the market committees. It is just adequate to meet the cost of supervision that is to be exercised by market committees over the functionaries who are desirous of practising their calling in the market area. In order to ensure this, a limit is usually prescribed by the rule-making authority regarding the licence fee to be charged from various types of functionaries and thereafter it is left to the market committees to prescribe the actual licence fee subject to that limit. Where no such limit was prescribed under the Acts or rules, there were instances where the market committees charged licence fees in excess of what has been considered reasonable.

Rule 28(3) under the Madras Commercial Crops Markets Act, 1933 (in force in Kerala), lays down the maximum annual fee that could be levied by a market committee for issuing licences to traders. Different licence fees have been fixed for different commodities handled by each trader. Except for tobacco and cotton, a trader licensed under Sec. 5(1) is required to pay Rs. 25 annually as licence fee, each for groundnut, arecanut, coconut and its products, potatoes and gingelly. The licence fees for tobacco and cotton are Rs. 100 and Rs. 50 respectively. A licensee under Sec. 5(3) is required to pay Rs. 50 for tobacco, Rs. 25 each for cotton and potatoes and Rs. 12 each for other crops declared as commercial crops. The new Madras Agricultural Produce Markets Act, 1959, has, however, done away with the categorisation of various types of licensees and all licences are granted under Sec. 6(1), fixing maximum licence fees at a uniform rate of Rs. 25 per annum

for each kind of produce for the main place of business in the notified area and a fee not exceeding Rs. 5 for every amendment of licence involving the inclusion of a new premises. The owners of country "chekkus" or oil mills are, however, exempted from the payment of licence fee. The renewal fee in the case of brokers and weighmen is fixed at Rs. 20 per annum. The co-operative societies are, however, exempted from taking out licences.

Under the Bombay Agricultural Produce Markets Act, 1939, the scale of licence fees to be levied was left to the discretion of the committees as no maximum fee had been prescribed under the rules. For purposes of licensing, the traders and commission agents were categorised into four classes, viz., 'A' class traders who buy in a market yard, sub-yard and factories and sell in the yard, factories and outside the market; 'B' class traders who act only as commission agents in the market yard, sub-yard and factories; 'C' class traders who buy anywhere in the market area excepting the market yard and sub-yard and sell only in the market yard, sub-yard and factories; and 'D' class traders who buy anywhere in the market area but sell to consumers only. Since each market committee has fixed its own licence fees under bye-laws for each category of licensees, these varied a great deal from market to market. In the case of 'A' class traders it varied from a minimum of Rs. 60 to a maximum of Rs. 150, for a 'B' class trader from Rs. 25 to Rs. 50, for a 'C' class trader from Rs. 10 to Rs. 20 with a special concession of 50 per cent in respect of a 'Teli' ('D' class traders).

The brokers were required to pay between Rs. 20 and Rs. 60 as licence fees. The maximum and minimum annual licence fees chargeable from each of the weighmen, surveyors and warehousemen were Rs. 15 and Rs. 10 respectively. The licence fee for *hamals* varied from Re. 1 to Rs. 2 and that for cartmen and truckmen from Re. 1 to Rs. 4 and Rs. 5 to Rs. 20 respectively. The above discretionary powers of the market committees to arbitrarily prescribe market fees were challenged in the Supreme Court and it was held that the maximum rate of fee should be prescribed within which the market committees should levy licence fees. In pursuance of the above judgement, the Government of Maharashtra amended the relevant Rule and fixed the licence fee for the traders at Rs. 100, commission agents at Rs. 100, brokers at Rs. 40 and weighmen at Rs. 5 per year. The categorisation of the functionaries into A, B, C and D classes was also abolished.

A further modification in the fees mentioned above has been made under the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967. According to the above Rules, traders, brokers and commission agents may pay such fees as may be prescribed by the market committee under its bye-laws but not in excess of Rs. 100 per market year. The fees prescribed for other categories of licensees however vary. These are not to exceed Rs. 100 in the case of processors, Rs. 25 in the case of carting and clearing agents and from Rs. 3 to Rs. 15 in the case of *hamals*, weighmen or measurers, surveyors, etc.

The Rules framed under the Hyderabad Agricultural Markets Act prescribe a maximum licence fee of Rs. 50 for the traders and commission agents, but the actual fees prescribed under the bye-laws by various market committees range between Rs. 13 and Rs. 43 per annum, depending upon the importance of the market.

Under the Mysore Agricultural Produce Marketing (Regulation) Rules, 1967, a maximum licence fee of Rs. 150 and a minimum of Rs. 15 has been prescribed for the traders who have been classified into 4 categories, viz., A, B, C and D, on the pattern of the Bombay Act, of which a mention has been made in the earlier paragraphs. In addition to the licence fees, each trader of a specific category has to furnish to the market committee a minimum cash security or bank guarantee as stated below :

Rs. 1,500 in the case of an A class trader;

Rs. 1,000 in the case of a B class trader;

Rs. 500 in the case of a C class trader; and

Rs. 100 in the case of a D class trader.

The idea behind the bank guarantee or cash security is to prevent the traders from dishonouring their commitments to the commission agents as regards their purchases. The maximum licence fee payable by commission agents has been prescribed at Rs. 100. Commission agents have also to furnish cash security or bank guarantee of Rs. 500.

Under the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1965, licence fees have to be prescribed under the Rules, which are yet to be framed. The Act,

however, exempts the following categories of licensees from payment of licence fees:

1. Khadi and Village Industries Commission;
2. Co-operative Marketing Society;
3. A person engaged merely in curing, pressing or processing of notified agricultural produce or products of livestock.

(Under the Maharashtra Rules, a processor has to pay a fee subject to a maximum of Rs. 100.)

Licence fees prescribed for various kinds of functionaries under some of the State Acts are given in Appendix IX. It would be observed that the incidence of licence fees on the traders is light in the Punjab markets as compared with their counter parts in other States. The possibilities of evolving fairly uniform rates or at least a fairly uniform range of rates as also some device whereby these licence fees may bear an equitable relationship to the volume and/or value of business handled as adopted by the Kaira District Tobacco Committee, Anand, and indicated in the table below deserve consideration:

TABLE 9

Licence fees prescribed by the Kaira District Tobacco Committee, Anand, for various classes of traders and commission agents

Type of functionary	Class of func- tionary	Volume of tobacco handled annually	Licence fee per annum
(1)	(2)	(3)	(4)
			Rs.
Traders	A-1	More than 2,000 maunds	150
	A-2	More than 1,000 maunds but less than 2,000 maunds.	75
	A-3	More than 500 maunds but less than 1,000 maunds.	40
	A-4	More than 250 maunds but less than 500 maunds.	15
	A-5	Less than 250 maunds	5
Commission agents.	B-1	More than 2,000 maunds	50
	B-2	More than 1,000 maunds but less than 2,000 maunds.	25
	B-3	More than 500 maunds but less than 1,000 maunds.	10
	B-4	More than 250 maunds but less than 500 maunds.	5
	B-5	Less than 250 maunds	1

6.5. Conditions of licence.—In the words of the Bombay Expert Committee, “The key-note of enforcing the provisions of the Acts, Rules and Bye-laws, resolutions of the Market Committee and direction of its officers, is the agreement which a licence holder is to execute as a part of condition of the licence.” The execution of an agreement that a licence holder must undertake to abide by the Act, Rules and Bye-laws and orders, directions and decisions of the market committee or its chairman or secretary, therefore, is very essential before any functionary is permitted to operate in the market. Every market committee, therefore, has prescribed the terms and conditions governing grant of licences to various market functionaries. These conditions are either incorporated in the body of the licence form itself or an agreement in the prescribed form is separately got executed. The types of licensing forms used for different functionaries under the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, are given in Appendix X.

In the application form prescribed under the Punjab Agricultural Produce Markets Rules, 1962, for grant of licences to various market functionaries, it has been specifically laid down that the licensees (1) shall not permit evasion or infringement of any provisions of the Act, Rules and Bye-laws and shall report to the committee such infringements as and when these come to their knowledge; (2) shall conduct their business honestly according to the principles of fair dealing; (3) shall not boycott or encourage boycotting by any other licensees; (4) shall not indulge in activities and transactions detrimental to the interest of the trade and proper functioning of the market. Where a licensee is a godown-keeper, he shall keep his godown neat, clean and tidy to the satisfaction of the committee. Besides the conditions cited above, there are a few others which bind the licensee to act in the proper manner.

The agreement executed under the bye-laws framed by the market committees of Maharashtra provides that a licensee must abide by the Rules and Bye-laws of the market committee and restrict his purchase and sale of agricultural produce within the jurisdiction that his class permits. It is also provided that the licensee shall keep accounts of his dealings correctly and regularly and produce the same for the examination of the competent authority whenever called for. The licensee is also required to pay the seller the sale proceeds of the produce on the very day of sale or within the period prescribed. The conditions governing grant of licence in other States are also more or less the same.

The conditions governing the grant of licence as mentioned above are not comprehensive enough to keep a proper check on the activities of the functionaries or their agents or employees. In this connection the recommendations made by the Bombay Expert Committee who had made a thorough study of this problem merit consideration. The Committee suggested that "(i) every licence holder must undertake to abide by the Act, Rules and Bye-laws and orders, directions and decisions of the market committee or its Chairman or Secretary; (ii) the licence holder shall be held responsible for all acts of his employees; (iii) 'A' and 'B' Class traders should undertake to deposit cash security or bank's or third person's guarantee for an amount to be prescribed in the bye-laws and to keep it free from all encumbrances and agree that the deposit shall neither bear any interest nor shall it be returnable so long as he holds a valid licence; (iv) the licence holder would acquire within a specified period the equipment including the shop, a godown and weights and scales according to the standards which the market committee may lay down from time to time; (v) the licence holder will not suspend or discontinue his business, except after giving one month's notice of his intention to do so; (vi) the licence holder will undertake to submit all his disputes to the market committee subject to an appeal to the Director in the event of cancellation of his licence or its suspension for more than six months and not to proceed in a court of law against the market committee, sub-committee or its officers without the permission of the Director of Agricultural Marketing; (vii) no change in the constitution of the licence holder's firm, partnership or Hindu joint family of which he is a member shall be operative so far as the market committee and its licence holders are concerned unless and until the change is approved by the committee; (viii) licence is not transferable and will remain valid for a year and his property (premises, shop or godown) in the market yard shall not be transferable to any person by way of sale, hire, mortgage or otherwise, excepting to one whose name is approved by the market committee and that too only on the satisfaction of the claims of the committee."

With regard to 'C' class traders, however, the committee suggested that the clause of cash security need not be imposed.

The Committee recommended that the brokers, weighmen, warehousemen, surveyors, *hamals*, cartmen, etc. should be required to comply with the provisions of the Act and Rules and Bye-laws framed thereunder. Most of the above

recommendations were accepted by the then Government of Bombay. The Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967, also provide for :

- (a) production of solvency certificate;
- (b) cash security or bank or third person's guarantee;
- (c) the market committee being satisfied in regard to (1) conduct of applicant, and (2) capacity for providing adequate equipment for smooth conduct of business;
- (d) the assistants specified in the application being persons who are not likely to hamper the smooth working of operations in the market or market areas;
- (e) satisfaction as to whether the applicant has traded or not in the market area or whether the person has overtraded in the case of renewal of licence.

A lead in respect of recommendation (e) mentioned above has also been given by the Mysore Government. Under section 85, clause 2, of the Mysore Agricultural Produce Marketing (Regulation) Act, 1965, it has been provided that :

- (1) No trader shall buy or take delivery of goods from any commission agent on credit and no trader's licence shall be granted to any person who intends to buy or take delivery of goods from commission agents on credit unless he has deposited with or furnished to the market committee a cash security or bond guarantee (for amount of cash security or bank guarantee see para 6.4); and
- (2) No licensed trader shall buy or take delivery of goods from licensed commission agents in the market area so as to remain indebted to such agents on account of the purchase of goods to such an extent as the security or guarantee deposited or furnished by him falls short of such percentage as shall be provided in the Bye-laws which shall not be less than 1 per cent of the aggregate amount of indebtedness arising of such credit purchases.

Section 86 of the above Act places similar restrictions on commission agents also.

6.6. Obligations of licensees.—According to the bye-laws the licensees are required to maintain regular accounts of all transactions in the forms prescribed by the committees and to send to the committees such reports and returns as may from time to time be prescribed or called for. They are

also required to perform certain other duties in conformity with the provisions of the Act. A typical instance may be quoted of the duties prescribed for various categories of market functionaries in the markets of the erstwhile Mysore State functioning under the Mysore Act of 1939. The duties prescribed for various categories of market functionaries under the Mysore Act of 1939 discussed below are indicative of the general responsibilities expected of the functionaries. The Mysore Act stipulates the following duties:

(1) *For traders*.—(i) To properly inspect the produce before buying, (ii) to weigh or measure the produce accurately, (iii) to weigh or measure the produce on the same day or at the latest by the next day, (iv) not to repudiate any bargain on any account, (v) not to make any weightment or measurement after sunset without the consent of the seller, (vi) to keep their weights and measures in open places, (vii) to record in the prescribed books the names of persons whose agricultural produce he purchases together with the details regarding the quantities and rates of agricultural produce, etc., as may be prescribed by the committee, (viii) to make all payments to the seller in case the latter deals direct, *i.e.*, without engaging any commission agent, and furnish necessary reports to the market committee every day, and (ix) when acting also as a commission agent, to keep regular and separate accounts of all his dealings in agricultural produce on commission basis. Such accounts shall be produced for inspection on demand at any reasonable time by the Chairman or the Secretary.

(2) *For commission agents*.—(i) To show the agricultural produce for sale to the buyers, (ii) to communicate to the seller the highest bid for his produce, and on the acceptance of the rate by the seller, to take the signature of the buyer on the agreement form prescribed by the Rules, (iii) to take charge of the agricultural produce from the seller after due weightment and measurement by the licensed weighman or measurer, in case the produce could not be sold on the day of its arrival and to arrange for its storage till it is sold away (in all such cases, the commission agent is required to supply a copy of weightment or measurement slip to each seller and the market committee), (iv) to sell the produce as per directions of the seller and in case the seller is not present at the time of sale, to sell it in the presence of the Secretary of the market committee, (v) to keep an account of all his dealings in respect of the agricultural produce and to furnish all such details daily to the market committee, (vi) not to buy in his own name

or in partnership with others or on behalf of others agricultural produce for the sale of which he has been engaged as a commission agent by the seller, (vii) to prepare a statement of account in the prescribed form, as soon as the transaction is completed and to give a copy each to the seller and the market committee immediately, retaining one copy for himself, and (viii) to see that payment to a seller is made by the purchaser on the same day if the seller so desires. Further, with the introduction of recovery of market cess/fee on *ad valorem* basis, it is his responsibility to recover the cess/fee from the buyer and/or seller and to remit the same to the market committee within the prescribed period.

(3) *For the brokers.*—To furnish to the market committee a weekly report showing the quantity of agricultural produce purchased by each trader through his mediation and also the names of the sellers and weighmen or measurers. He is not to act as a broker for more than one party in a transaction.

(4) *For the weighmen.*—(i) To weigh all agricultural produce in the presence of the commission agent and the owner and to correctly enter the weightment in the book supplied to him by the committee, (ii) to sign the weightment slips and also to get them endorsed by the buyer or the commission agent and seller and to deliver a copy thereof each to the seller and the commission agent or the buyer in case a commission agent is not engaged by the seller, (iii) to send the weightment book to the market committee's office daily for verification. The weighman or measurer is not allowed to take up service under any trader, buyer or commission agent. He is also required to wear a badge when on duty in the market and to use only authorised scales and weights or measures to be supplied by the commission agents or traders. He is also required to abide by any arrangements which the committee may make for ensuring the availability of his services as and when required. The duties and responsibilities of the functionaries under the other Acts may vary slightly depending upon the provisions made in the Rules and Bye-laws, but the nature of obligations is not very much different.

6.7. Number of functionaries and produce handled.—The average quantity handled per market functionary per market in the reporting regulated markets in different States has been worked out and is indicated in Table 10 on page 92.

TABLE 10

Quantity of produce handled per functionary in the reporting regulated markets (average of 1960-61 to 1962-63)

State	No. of reporting markets	No. of commission agents and traders per market committee (average)	Average arrival per market committee (tonnes)	Average quantity handled per functionary (tonnes)
(1)	(2)	(3)	(4)	(5)
Andhra Pradesh	16	26	1,88,746	7,259
Delhi	2	18	13,291	738
Gujarat	37	35	22,119	632
Madhya Pradesh	9	48	14,236	297
Maharashtra	74	41	27,255	665
Mysore	27	37	18,613	503
Punjab	35	46	19,624	427
Orissa	5	5	7,865	1,573

In Andhra Pradesh, each market committee is functioning for a district, the entire district constituting the notified area. Any commodity leaving the notified area is deemed to have been bought and sold in the notified area. This explains the high figure per functionary in respect of the markets in Andhra Pradesh. In the case of markets in Orissa also, the quantity handled per functionary is high (1,573 tonnes). On the other hand, the quantity handled is the lowest (297 tonnes) in the case of markets in Madhya Pradesh. In the remaining States, the quantity varied from 738 tonnes to 427 tonnes.

6.8. Remuneration of different functionaries.—Remuneration of licensed functionaries has either been prescribed in the Rules or under the Bye-laws framed by individual market

committees. Where the remuneration has been prescribed under the bye-laws, no uniformity has been maintained between one market and another, in regard to either the basis or the quantum of remuneration for each type of functionary. Also, different rates of remuneration have been fixed for different commodities taking into consideration certain factors like bulkiness, value, etc.

In the markets established under the Hyderabad Markets Act (Telengana in Andhra Pradesh, Marathwada in Maharashtra and Karnatak in Mysore), commission charges for *arhatias* have invariably been fixed on *ad valorem* basis, but their rates differ not only from market to market but also from commodity to commodity in the same market. For example, in Nanded market commission for kapas has been fixed at 1.5 per cent of the value of the produce as against 1 per cent for lint. In the Jalna market, on the other hand, 1 per cent commission has been fixed for both kapas and lint. Among the different markets functioning under this Act, the commission charges for different commodities (other than for cotton) vary from a minimum of 1 per cent in 9 markets to a maximum of 2 per cent in 22 markets. In the rest of the markets they vary from 1.5 per cent to 1.75 per cent.

In the majority of the markets established under the Bombay or the Gujarat Act, the normal rate of commission is 1.56 per cent, though in a few markets (Unjha for instance) it is as low as 0.75 per cent. The vegetable markets at Ahmedabad and Surat are, however, exceptions where commission charges as high as 5 per cent to 6 per cent of the value of the produce have been fixed on account of the highly perishable nature of the commodities.

With regard to the *hamali* charges also the rates vary considerably. In Bhongir market, for instance, *hamali* charges for castor, *tur*, paddy and rice are 8 paise per bag as against 6 paise per bag of groundnut pods, chillies, and coriander. In Bidar market the charges are 4 paise per bag of groundnuts, 6 paise per bag of grains and 3 paise per tin of ghee. Similarly in Warangal market, the *hamali* charges vary from 6 paise per bag of groundnuts to 8 paise per bag of castor seed, *til*, chillies, wheat, onions and coriander and 9 paise per bag of pulses. Similar variations are observed in weighment charges and other miscellaneous charges like those for cleaning, sweeping, etc.

There is variation in the basis of levying the charges also from market to market in the same State. In Sahada market in Maharashtra, for instance, varying charges have been fixed

for different commodities ranging from 2 paise per maund of groundnuts to 3 per cent of the value of unginned cotton or a bag of chillies. In Dhulia market, on the other hand, the weighing charges are levied on *ad valorem* basis at different rates for different commodities.

In a study conducted by the Directorate of Marketing and Inspection in 1965, the amount payable by the sellers by way of market charges, like commission, tolls, taxes, deductions, etc., in selected regulated markets was calculated for rupees one hundred worth of produce. The commodities covered were gram, table potatoes, groundnut and cotton. This study clearly brought out that there is great variation in the charges from market to market even in respect of the same commodity.

The extent of variation in the amount payable by the sellers as commission, which is the most important single item among the market charges in respect of the markets studied is indicated in the following table:

TABLE 11

Charges payable by sellers as commission in selected regulated markets

Commodity	No. of markets studied	*Commission payable for produce worth one hundred rupees		
		Maximum	Minimum	Average
Gram . . .	11	2.00	0.37	1.35
Table potatoes . .	11	6.00	0.46	2.01
Groundnut . . .	11	2.25	Nil	1.20
Cotton . . .	13	2.25	Nil	1.09

*Based on the average annual wholesale price for the most common variety in the market concerned during the year 1963-64.

The extent of variation was maximum in the case of table potatoes. Similar variations in the market charges were observed as regards other charges like *hamali*, weighing, etc.

An idea about the complexity of the market charges prescribed for different commodities even in the same market can be had from Appendix XI wherein are given the market charges prescribed by the Hubli Market Committee, Mysore State, functioning under the Bombay Agricultural Produce Markets Act. The market charges indicated in this Appendix are in addition to the market fee of 0.25 per cent *ad valorem* collected from the seller on all agricultural produce bought and sold in the market yards and the market area.

6.9. Need for standardising remunerations of functionaries.—The remunerations charged for the services performed by various functionaries in regulated markets of different States vary widely and the rationale for fixing the charge for the same item of work also indicates a lot of variation. The basis for prescribing the charges being different in different markets, comparison of market charges prevailing in one market with those in another becomes difficult. In order to find out whether the charges paid to the functionaries are commensurate with the labour or skill employed or the risk, if any, borne by the functionaries, as also the expenditure incurred by the seller and the buyer, comparable data on market charges are necessary. After the introduction of the metric system in the regulated markets the complexity has been lessened to the extent the use of measures is eliminated.

Commission constitutes the highest single item of market charges payable by the seller and commission agents have become an indispensable agency because the market committees have not succeeded in making any alternative or suitable arrangements for the sale of the produce otherwise than through commission agents. It is only in some markets in South Arcot and North Arcot districts of Tamil Nadu that all services required by the seller and the buyer in a market are rendered by the market committee. Because commission, the major item of charge, is not payable, the market charges incurred in these markets are the least in the country. The total market charges work out to 0.06 per cent *ad valorem* in respect of groundnut kernels and even this amount is payable by the buyer and the seller is not to pay any charges. Even while granting that the services of the commission agent are of some utility, the need for bringing about rationalisation in the scale of his remuneration cannot be denied. Apart from providing finance to his producer-clients for which he charges interest, the principal services that the commission agent renders are: arranging the produce for sale, conducting auction

supervision of handling and weighment, preparation and issue of account slip (sale slip) and immediate payment of sale-proceeds on his own responsibility without waiting for its realisation from the buyer. It would be necessary to decide as to what should be the legitimate remuneration for the commission agent for discharging these duties. An indication for fixing such a legitimate scale may be found in the rates prescribed and prevalent in some of the markets. The commission payable by the seller in the regulated markets of Khandedesh (Jalgaon) in Maharashtra State or Unjha in Gujarat is as low as 0.75 per cent of the value of the produce sold. Similarly in the markets of Punjab also it is not more than one per cent. The *pucca adatiyas* in almost all the markets charge commission from the traders at the rate of one per cent only while rendering similar services to them. However, as against the low rates of commission in some markets cited above, the commission charges in the majority of the regulated markets range between 1.5 per cent and 2 per cent. Co-operative marketing societies, wherever they are functioning in regulated markets as commission agents, have been giving back some percentage of the commission as rebate to the sellers.

The charges paid to the *hamal* or *palledar* also deserve to be rationalised. He is a labourer sufficiently organised in these days and is often supported in his demands for higher wages by the commission agent to whom he renders some free services. His remuneration is prescribed generally on weight basis. During recent years the prices of most agricultural commodities have increased manifold and the commission agents whose remuneration is fixed on *ad valorem* basis, have been getting the benefit of the increase in prices. Other functionaries like the *hamal*, weighman, etc., whose charges are fixed on weight basis, have, however, not been getting this benefit. For practical reasons it may be difficult to fix the charges on *ad valorem* basis. It is, however, necessary that the charges prescribed for functionaries like *hamals*, weighmen, etc., should be periodically reviewed and revised to the extent necessary, so that the benefit of the general upward trend in agricultural prices is not denied to these functionaries alone.

CHAPTER VII

METHODS OF BUSINESS

7.1. Business hours.—To bring about orderliness in the purchase and sale of agricultural commodities and to ensure a competitive price, it is essential to prescribe hours for transacting business. Market committees, therefore, invariably prescribe hours for transacting business in regulated markets. It enables the sellers and buyers to assemble at the stipulated hours and the market committee to enforce regulatory provisions and exercise supervision. In fixing the hours of business the convenience of the sellers in bringing their produce into the market for sale and the convenience of the buyers as also the labour laws in vogue are duly taken into consideration.

The produce arrives in the markets from far and near in different packages and by different modes of conveyance—packed in bags, 'boorahs', 'addikas', etc., or loose in carts lined with bamboo or cloth matting; as headloads, or by pack animals, bullock carts and trucks. Before the transaction actually commences, certain preliminaries like unloading, sieving, cleaning, grading and exhibition of the produce for inspection by intending buyers have to be gone through. In some cases drying may also be necessary. Further, the pack animals have to be attended to and the empty carts parked. There is thus a need for providing facilities for entry and for undertaking these preliminaries much in advance of the commencement of business transactions. Prohibiting the arrivals of the produce in the market yards during the night or in the early hours of the day may, therefore, result in hardship to the producer-sellers. The market committees generally see to it that the licensed commission agents provide facilities for receiving the produce of their clients at all times.

In Punjab markets, the hours of work are subject to the provisions of the Punjab Shops and Commercial Establishments Act, 1958. Under this Act, the hours of work have been fixed from 9 a.m. to 8 p.m. with the result that *palledars* or labourers are unable to unload the carts which arrive in the early hours of the day or late in the night. This sometimes results in undue hardship. Under the bye-laws framed by

the market committees established under the State Acts of Maharashtra, Mysore and Orissa, the Chairmen of the market committees have been empowered, subject to concurrence by two members, one representing the growers and the other the traders, to order the observance of business hours other than as laid down in the bye-laws on any particular day or days. Such a provision should be included by all the market committees in their bye-laws so that when the situation so warrants the working hours could be altered or extended.

In the matter of fixing the working hours, the example of the Delhi Administration where the Labour Commissioner has allowed relaxation as regards the opening and closing hours of shops in the regulated market in Narela is also worth emulation. All shops licensed by the market committee in this centre are allowed to be governed by the timings fixed by the market committee.

Almost all the regulated markets remain closed for one day in a week as specified under the bye-laws. Some markets, specially in Mysore State and Andhra Pradesh, remain closed not only during the usual weekly holidays but also on 'Amwas' day or during local festival holidays previously notified. In Maharashtra and Gujarat there are a few markets which remain closed for two days in a week. To avoid any possible hardship to the users of the markets, publicity is given about these market holidays by the market committees as well as by commission agents.

7.2. Time of market arrivals.—The producer-sellers expect that the produce that they carry to the market for sale will be disposed of the same day and hence they usually reach the market yards early in the morning ahead of the time fixed for the commencement of the auctions. Deviation from this established practice is, however, found in the case of commodities like cotton, particularly in such of the markets where auctions are conducted according to the 'Fardi' system and also in markets where weighment is done in the premises of the ginning factories. In such markets, arrivals continue till late in the evening. In those markets where the day's arrivals are not usually sold on the same day, the arrivals are not confined to any particular period of the day but continue throughout. As untimely and irregular arrivals disturb the orderly conduct of auction sales, some market committees have laid down in their bye-laws that produce brought into the market yard after the stipulated hour or after the auctions have sufficiently progressed, will have to await

disposal until the next day. While the latest hour by which the produce should reach the market for inclusion in the day's auctions may have to be fixed according to the local conditions, it would be appropriate that such time limit is prescribed under the bye-laws. A strict enforcement of the rules in this regard is desirable in the interest of both the sellers and the buyers. This will also facilitate effective supervision of transactions by the market committee.

7.3. Procedure for auction sales.—In practically all the markets the common practice for the sellers is to take their produce to the shops of their commission agents, where it is unloaded and arranged for sale by the *hamals* or *palledars*. However, in a few markets, as in the regulated markets in South Arcot district in Tamil Nadu, in Hingoli in Maharashtra and in Mysore in Mysore State, common platforms (which may either be open or covered) have been constructed by the market committees where all the daily arrivals are arranged for sale. It may be added that in the regulated markets of South Arcot district in Tamil Nadu, commission agents are not functioning.

In most of the markets in Punjab and in erstwhile Hyderabad and Mysore States, *pucca* platforms or floorings have been provided by the commission agents in front of their shops where the day's arrivals are heaped for auction sales. In a number of other markets, where no platforms have been provided, the produce is also exhibited for sale in gunny bags, some of which are partially opened for inspection. In the case of commodities like cotton, paddy, groundnuts, etc., the produce is sometimes exhibited in the carts themselves without being unloaded. In bigger markets where some of the commodities arrive in large volumes, auctions are held separately for each commodity. This system of commodity-wise auctions has enabled the market committees to easily complete the sale of the day's arrivals and has further saved the time of those of the buyers who are interested in a particular commodity only and who would otherwise have to wait till the auction of that particular commodity is taken up in its usual turn. It has been the experience of some of the market committees that in the mornings when the auctions commence not many buyers participate in the auctions with the result that the prices offered are hardly competitive. As the auctions progress, more buyers are found to participate and the bidding becomes more brisk and competitive. In order, therefore, to afford equal opportunity to all the commission agents, the market

committees have made it a convention to start the day's auction from the shops of different commission agents by rotation.

7.4. Purchases by commission agents.—While a commission agent in a regulated market is free to act on behalf of either the buyer or the seller and to make purchases or effect sales, there are restrictive provisions either in the Act or in the Rules or Bye-laws of most of the market committees prohibiting him from acting on behalf of both the seller and the buyer in the same transaction. For example, section 7(2) of the Maharashtra Agricultural Produce Marketing (Regulation) Act of 1963 provides that "licence may be granted under sub-section (i) for such firms, for such period, on such terms and conditions and restrictions (including any provision for prohibiting brokers and commission agents from acting in any transaction both as a buyer or seller or on behalf of both the buyer and seller and also provision for prohibiting brokers from acting in any transaction except between a trader and trader, in respect of agricultural produce other than poultry, cattle, sheep and goats and such other agricultural produce as may be prescribed and prescribing the manner in which and places at which auctions of agricultural produce shall be conducted and bids made and accepted and places at which weighment and delivery of agricultural produce shall be made in any market or market area) on payment of fees, not being in excess of such maxima as may be prescribed." In the Bye-laws framed by market committees under the Hyderabad Act it is incumbent on the commission agent not to purchase or bid in the auctions either for himself or for others or jointly with others for the produce for which he has been engaged as commission agent. The market committees established under the Mysore and Punjab Acts have also imposed similar restrictions on the commission agents. In actual practice, however, the commission agents have been offering bids and even purchasing the produce of their clients either for themselves or for others. The argument advanced in justification of such a practice by the commission agents is that this not only ensures a competitive price to the seller but also helps in the quick disposal of his produce for which he otherwise has to wait until the next auction. Some market committees, therefore, have, through special resolutions, allowed the commission agents to make such purchases in open auctions. Some committees have delegated to their Secretaries the power of giving such *ad hoc* permission, provided they are satisfied that no other buyer came forward with a reasonable offer and that the seller was

insistent on the immediate sale of his produce. The practice of making such purchases by the commission agents has become very common in some of the markets like Jalna, Aurangabad and Sailu in the Marathwada areas of Maharashtra State. The market committee, Sailu, in fact, had proposed to the State Marketing Officer, Hyderabad, for the deletion of the restrictive clause from the bye-laws. This proposal, however, was not accepted as that would have been inconsistent with the provision of the Indian Trust Act. The Indian Trust Act lays down that a trustee appointed for sale cannot purchase the property in question either for himself or for others. The Indian Sale of Goods Act in the chapter on Auction Sales provides that the auctioneer will not be competent to purchase the goods under auction, either on his own behalf or on behalf of others. The loyalty of the commission agent, pledged to the sellers, cannot but be impaired and divided if he is allowed to make such purchases. The market committees should, therefore, implement this reasonable restriction in the interest of the producer-seller and in the interest of the commission agency system which will otherwise degenerate.

7.5. Sale agreement.—The highest offer for each consignment or a lot is accepted by the commission agent only after getting the consent of the seller. The Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967, however, provide that the seller may refuse to sell his produce to the highest bidder or may accept a lower bid or postpone the sale of his produce to a later hour or date. The Rules framed under the Uttar Pradesh Krishi Utpadak Mandi Adhiniyam, 1964, provide that “every purchaser of the specified agricultural produce shall sign an agreement in triplicate in favour of the seller as soon as the transaction is effected”. In the regulated markets of the Telengana region of Andhra Pradesh and in the Punjab markets, details of each transaction are recorded in the auction register then and there. This register is maintained by the market committee and signatures of the *adatiya* and the buyer are recorded therein. A similar practice prevails in some of the markets of Mysore State also. While traders may generally honour even their verbal commitments, signing of these sale agreements helps in safeguarding the interests of both the parties—the seller and the buyer. Besides, it also enables the market committees to maintain a complete record of the quantities and kinds of commodities sold, maximum price offered by buyers and details about the parties to

the transaction. The written agreements further facilitate settlement of disputes regarding quality, price, non-payment of sale-proceeds, etc. It also constitutes the basic record, particularly in regard to the price, which is useful for cross-checking at the time of the verification of the entries in *tak-pattis* or sale slips. It would be to the advantage of all market committees to follow this practice. The form of sale agreement prescribed under the Uttar Pradesh Rules is given in Appendix XII.

7.6. Weighment.—After the produce has been auctioned it has to be weighed. Specific provision regarding the procedure to be followed in weighing the produce has been prescribed in the Rules or Bye-laws of the Markets Acts. For instance, the Maharashtra Agricultural Produce Marketing (Regulation) Rules [Rule 15(ii)] provide that “the trader and commission agent, and, if a commission agent has not been employed, the purchaser also, shall make arrangements for immediate weighment or measurement of declared agricultural produce brought into the market area for storing and marketing”.

The Bye-laws under the Hyderabad Act provide that the buyer and the commission agent should get the weighment done as soon as possible after the auction is over. Failure to do so without any justifiable reason renders the parties concerned liable to penal action by the market committee. The Rules framed under the various State Acts provide that weighment slips in respect of each transaction should be issued in triplicate, one copy marked to the seller, one to the buyer and one to the market committee. But, in actual practice, this rule is not strictly enforced in quite a number of markets. The weighment slip contains particulars regarding the names of the seller, the commission agent and the buyer, the kind or kinds of produce, its weight and the number of packages or bags weighed.

7.7. ‘Bharti’ or filling of containers in standard quantities.—The producer-seller ordinarily does not take his produce to the market in standardised containers. He often uses whatever packing material is available with him or he may even load it loose in bullock-carts. Except in the regulated markets of South Arcot district in Tamil Nadu, where the market committee itself supplies gunny bags to the producer-sellers, in almost all the other regulated markets gunnies for bagging the produce for weighment and delivery are provided by the buyers.

Excepting in some regulated markets in the erstwhile Hyderabad State or the Punjab where the bye-laws specifically provide for filling of bags in standard weights for each type of commodity, in the majority of the regulated markets in other States such standard filling of bags is not insisted upon, with the result that random check or test weighment for exercising effective control and supervision on licensed weighmen in the discharge of their duties is rendered impossible or difficult. The market committees should gradually introduce the system of standardised filling of bags/containers for different types of commodities as this will facilitate a more effective check on the weighmen.

7.8. Settlement of sale transactions.—Settlement of accounts and payment to the seller on the same day is an important feature of market regulation. The bye-laws, therefore, stipulate that the commission agents must prepare sale slips (*tak-pattis* as they are called) in triplicate, one for the seller, one for the market committee and one for his own record and also simultaneously pay the seller the net sale proceeds as per the *tak-patti*. These sale slips or *tak-pattis* (see Appendix XIII) contain particulars like name and village of the seller, the kind or kinds of produce sold, the number of bags or packages, the net weight, the name of the buyer, the price, the total value of the produce, the deductions on account of charges like commission, *hamali*, weighment, etc., and the net amount payable to the seller after deduction of the above charges. Only the authorised *tak-patti* books, machine numbered and duly certified by the market committee with its seal, alone are allowed to be used to avoid any spurious ones being used. To facilitate checking, the copy of the *tak-patti* issued to the producer-seller is generally differently coloured.

While the Rules and Bye-laws of the various Markets Acts require the commission agents to immediately submit the triplicate copy of the sale slips to the market committee, there is invariably some delay in the submission of such returns. Market committees also are not very prompt in making the necessary entries in their relevant registers and in checking them as required under the Rules and Bye-laws.

In the Rules framed under the Hyderabad Act (applicable to markets in the Telengana region of Andhra Pradesh), a rigid and effective procedure has been laid down in this regard. Sale slip books which are serially numbered are supplied by the Director of Agricultural Marketing, Andhra

Pradesh, to all the commission agents through their respective market committees on payment of prescribed charges. No *tak-pattis* other than those from official sale slip books are allowed to be used by the commission agents. Further, the triplicate counterfoils of the sale-slips are required to be sent to the office of the market committee before the commencement of the auctions the next day. Failure to do so makes the commission agent liable to penalties prescribed under the bye-laws. The market committee staff is also required to enter all the relevant details recorded in the *tak-pattis* in the general register and also in the ledger in which account of each commission agent is maintained for the purpose. The staff of the market committee is also required to check all the sale slips and to record discrepancies, if any, in the register. If as a result of this checking it is found that any seller has been under-paid or market charges over and above the prescribed rates have been realised, the difference in that case is immediately recovered by the market committees from the commission agents concerned and paid to the sellers. This kind of rigid check has become necessary as the market fee, which is levied on an *ad valorem* basis, is collected from the sellers through the commission agents on the basis of *tak-pattis*.

The issuing of *tak-pattis* in the prescribed form to the sellers and submission of their counterfoils to the market committees is a common feature in the regulated markets of other States also. In the Punjab, however, the counterfoils are not sent to the market committees but are retained by the seller and/or buyer or *katcha arhatiya* where one has been employed. In South Arcot in Tamil Nadu the market committee itself issues pay order slips, there being no commission agents in this market. Payments are made by the buyers to the owners of the produce on the basis of such pay order slips issued by the market committee.

In his relation with the producer-seller, the commission agent occupies the position of a trustee. It should, therefore, be incumbent on the market committees to see that this trust is properly discharged by him. If there is any lacuna in the rules which comes in the way of market committees discharging this obligation, it should be rectified by amending the necessary rules.

7.9. Payment by the buyer to the commission agent.—

It is customary in both regulated and unregulated markets

for the commission agents, through whom the produce is sold, to render account and pay the seller the same day. However, the commission agents do not necessarily recover that amount from the buyer immediately on delivery of goods. The time lag between the delivery of goods and payment by the buyer generally varies from three to seven days and sometimes even more in some cases depending upon the convention in vogue. If, however, the commission agent asks for payment from the buyer on the same day, the former has to give to the latter a rebate of one-fourth per cent to one and a half per cent, depending on trade usage. This practice of deferred payment by the buyers has been used by the commission agents as an excuse for demanding a higher rate of commission from the market committees. This practice has also sometimes resulted in encouraging persons with meagre resources and doubtful integrity to buy produce. To safeguard against this contingency, provision has been made in some of the State Acts. For instance, Section 85(2) of the Mysore Agricultural Produce Marketing (Regulation) Act, 1965, provides that "No trader shall buy or take delivery of any goods from any commission agent on credit and no traders' licence shall be granted to any person who intends to buy or take delivery of goods from a commission agent on credit unless he has deposited with or furnished to the market committee cash security or a bank guarantee." Similarly, the Punjab Act provides that: "In absence of any written agreement to the contrary, the sale price of agricultural produce purchased under these rules shall be paid by the buyer to the *katcha arhatya* on delivery of Form I." (This form called 'bill of *katcha arhatya*' gives the details of commodity sold, weightment, rate and total amount due.)

Again, Rule 20 of the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967, provides that "(a) immediately after any declared agricultural produce (not being poultry, cattle, sheep or goat) is weighed or measured, the purchaser shall settle the account and pay the seller or his commission agent, as the case may be, for the sale of produce so weighed on the same day, and (b) the commission agent shall pay the seller for the produce sold on the same day after deducting therefrom his commission and market charges in accordance with the bye-laws made in that behalf." For the purpose of ascertaining that the payment has been made

for the produce sold, the market committees are required to periodically check the account books of traders and commission agents.

Under bye-law 28(3) (1) of the model bye-laws framed by the Government of Tamil Nadu under the Madras Agricultural Produce Markets Act, 1959, it is incumbent on the buyer to take possession of the goods within three hours of the finalisation of the contract and also to pay for the goods on the spot before taking possession. It is stipulated that any delay in the transfer of possession and payment shall be at the buyer's risk. The buyer is also liable to compensate the seller for needless delay beyond the stipulated time at such rates as may be fixed by the committee. The administering authorities should discourage this practice of deferred payment by the buyers which has resulted in an unhealthy competition in a large number of markets.

The system of payment by the buyers to the commission agents is also governed by trade conventions. The common practice in most of the markets is for the commission agent to call on the buyer to obtain payment. This is particularly so in the case of cotton and groundnuts. The buyers in this case are generally the processing factories and they generally make payments at their own premises. Though the market committees have been insisting on payments being made to the commission agents in market yards, they have not met with success as there is no such specific provision in the bye-laws. Even a reputed market committee like Sangli has not been able to do much in this regard. The possibility of including such a provision in the bye-laws of market committees should be examined so that the commission agents need not every now and then run after such buyers.

7.10. Delivery of goods.—Under the Sale of Goods Act, delivery of goods is to be made at the place where the goods are lying at the time of sale unless otherwise agreed upon. In regulated markets, generally the goods of producer-sellers are sold at the shops of the commission agents. According to the bye-laws, weighment also has to be done in the market yard. Logically, therefore, delivery of goods has to be given and taken at the shops of the commission agents or at the sale platforms or sale halls wherever provided. But in spite of the legal provision under the Sale of Goods Act, deliveries are sometimes required to be made outside the

market yards, particularly in the case of *kapas*. In some markets both weighment and delivery of *kapas* take place in the premises of the ginning factories. This requires to be discouraged at all costs as it is a constant source of disputes and harassment to the producer-sellers. In regard to the time of delivery also the bye-laws of most of the market committees specifically lay down that the buyers should, as far as possible, take delivery of the goods on the day the transaction is completed. Yet, in many instances, the buyers delay taking delivery causing much congestion in the market yards and thereby impeding quick turn-over and resulting in disputes regarding shortage in weight, pilferage and spoilage, the burden of which ultimately falls on the sellers. There should be a clear provision in the bye-laws that neither the seller nor the commission agent will be responsible for the safety of and shortage in the goods after the weighment is over.

7.11. Deposit receipt for goods.—In most of the markets it may not be always possible to dispose of the day's arrivals on that very day. Goods have, therefore, to be deposited with the commission agent. In such cases, the commission agent issues a deposit receipt in favour of the seller concerned. This responsibility is often evaded by the commission agents and it is for the market committees to see that deposit receipts are invariably issued giving particulars relating to the number of packages and weight. Under the bye-laws of some of the market committees like those in the Hyderabad area, this has been made obligatory and the commission agents must issue deposit receipts (*amanat patti*) to the depositors (see Appendix XIV) and finally render accounts for the stocks deposited with them.

7.12. Systems of sale.—The first and foremost function of the market committee is to see that the agricultural produce brought by producer-sellers into the market yard is sold under competitive conditions. The Rules and Bye-laws specifically mention the manner in which the sales shall take place in the market.

Sale is a contractual transaction in which display is made on behalf of the seller by heaping the produce or by exhibiting cart-loads or small samples of different commodities which are intended to be sold. The buyers offer bids and such bids continue till no more offers are forthcoming. The seller then decides whether to part with his produce at the maximum price offered or to withhold the same. On acceptance of the highest bid by the seller, the transaction is deemed

to be completed. Sales are commenced at the appointed hour and have to be normally completed within the time specified in the bye-laws.

Although the seller is free to sell his produce in the market directly to the buyer, in actual practice he does so through a commission agent. The intricacies involved in the market transactions have compelled him to adopt this costly agency but it is also true that no facilities have so far been provided in the market yards to enable the seller to make direct deals with the buyers except in some regulated markets like the South Arcot and North Arcot markets in Tamil Nadu.

Many systems of sale are in vogue in different markets. Even in the same market, different systems may be applicable to different commodities. Every system of sale has its merits and demerits. Before any particular system is advocated, it would be desirable to briefly review the different methods. The systems of sale followed are: (i) open auction system, (ii) *hatta* (sale under cover) system, (iii) *hatta-cum-open* auction system, (iv) *fardi* system, (v) open agreement system, (vi) tender system and (vii) forward or *moghum* sales system.

(i) *Open auction system*: (a) *Heap-wise*.—The ideal method of conducting open auctions is to conduct commodity-wise sale by properly arranging the arrivals coming to a market in open lots in front of the commission agents' shops. It is the responsibility of the commission agent, wherever he is functioning, to provide necessary cemented or paved platforms, preferably covered, for the purpose. It is the duty of the commission agent to protect the stocks from being damaged by sun and rain or otherwise. An improvement over this is the exhibition of lots on the platforms specially provided by the market committee for this purpose. Wherever grading prior to sale is taken up, lots are arranged grade-wise which further reduces the time involved in the conduct of sales as the traders do not waste much time in assessing the quality of the produce. The sellers also become quality minded in such a case and prepare the produce in a better way for the market. Grading of the produce also helps the producer in correctly exercising the option given in regulated markets as to whether to part with the produce or not at the maximum price offered in the open auction. It is a common experience that when the auctions commence for the day, the participating buyers are not many. Their number increases as the auction progresses. Towards the close of the day again, the number of buyers may decrease. In

order to even out the effect of this phenomenon over all the commission agents in the markets, it is a general practice to commence the day's auction from the shops of different commission agents by rotation. For the benefit of sellers and buyers some market committees announce on the notice board the name of the commission agent from whose premises the open auction starts for the day. Some other market committees hoist a flag in advance at the particular spot so that all intending buyers may assemble at that spot at the stipulated hour. The unit for which prices are to be quoted is fixed in the bye-laws of the market committee. It is generally the practice to conduct the auctions of a particular commodity at only one spot at a time and not at many spots simultaneously so that all the intending buyers of that commodity can participate. This ensures the most competitive price to the sellers. Otherwise, the intending buyers get distributed and the most competitive or maximum price for a particular lot at a particular time and place cannot be ensured. In most of the regulated markets in various States, auctions are held under the direct supervision of the prescribed official of the market committee. In the markets of Mysore State the auctions are held under the direct supervision of the Market Secretary himself.

The time factor usually comes in the way of this system of sale being adopted in all markets, particularly in multi-commodity markets where the lots that arrive in a day are more than three to four hundred in respect of a single commodity. To tide over this difficulty and complete the sales as expeditiously as possible and at the same time to ensure the most competitive price to the seller, different devices like appointment of auctioneers for the conduct of sale by the market committee; fixation of a time limit for each commission agent's premises depending on the number of lots put up for sale on any particular day; making the lots uniform in certain quality factors by evening them out by pre-clearing, drying, etc.; introduction of grading; and stipulation of a minimum unit by which the buyers have to increase the bid during the auctions, are resorted to by various market committees. Besides a competitive price to the seller, psychological satisfaction to the seller, the buyer and to the commission agents; possibility of purchasing one's requirements to fulfil one's immediate commitments; and open indications of the trends in prices, which will be of guidance to small traders and owners of small processing units who have practically no facilities to be in close touch with the trends in terminal and consuming

markets are some of the points in favour of conducting sales by open auctions.

(b) *Open cart system*.—There is not much difference between the open heap system detailed above and the open cart system, except that in the former case the produce is unloaded and fully exposed, while in the latter the produce is kept in the cart itself being exposed only partially. This system is followed mostly for commodities which are required to be weighed at the buyers premises to avoid the labour involved in unloading and reloading the commodity. This is also common in regulated markets which do not have regular and well developed yards.

The system of sale by open carts is to some extent defective when compared to the open heap system. Since the buyers do not have an opportunity to inspect the entire contents of the cart, it often leads to disputes, and is later followed by demand for deductions in the price agreed upon or for extra allowances.

(c) *Sample system*.—In certain markets like Hyderabad and Bangalore neither of the two systems mentioned above is followed ; but the method of bidding on the basis of samples is adopted. The commission agents draw a representative sample, indicate details of the quantity, name of the seller, etc., by putting a slip in the sample and exhibit the same as representative of the bulk.

After the establishment of warehouses in some of the regulated markets by the Central and State Warehousing Corporations, notified agricultural produce is being warehoused by producers as well as traders. When such depositors wish to sell their stocks, representative samples issued from such stocks are taken to the regulated market and open auctions are conducted on the basis of samples so exhibited. The sample issued by the warehouseman invariably indicates the grade designation. This has reduced the scope for disputes arising from variation in quality between the sample and the bulk.

Notwithstanding all the merits of the open auction system, the time required to complete the auctions come in the way of its adoption in all the big markets where the arrivals are heavy. As already stated, in some markets, during the peak months of arrivals, instances are not wanting where a commission agent gets his turn to dispose of the produce of his

clients only once in a week or ten days. This is not a satisfactory arrangement since the seller must have an opportunity to sell his produce on any day he likes in a regulated market. Otherwise, dissemination of market intelligence on the basis of which the producer decides to take his produce to the market will have no meaning for him if he is not able to dispose of his produce on the day he comes to the market.

In actual practice, very many deviations from the prescribed method of open auction are found to be in vogue on some pretext or the other, which ultimately have a bearing on the price paid to the seller. In most such cases the seller is the loser.

(ii) *Hatta system*.—In a few markets the price is still being settled literally under cover by what is commonly known as the *hatta* system. Under this system of sale, the commission agent covers his hand with a kerchief and invites offers individually from each of the buyers present, which the buyers make by pressing his fingers and finger joints, a language of signs easily understood both by the buyer and the commission agent. The highest offer made is intimated to the seller and after he agrees, the bid is closed and the sale confirmed. The sale under this system is open to a variety of malpractices as the seller all the time remains in the dark and it is only the commission agent and the ultimate buyer who really know the price negotiated.

The commission agents, however, disown any malpractice in this system of sale and on the contrary assert that under this system, the buyer, not knowing the offer of his rival, is obliged to give a higher bid. While there may be some substance in it, there is no guarantee that the benefit of this higher price always goes to the producer, because he is unaware of the precise offer. The fact, however, remains that the *hatta* system of sale, wherever operated, is to the detriment of the producer and to the advantage of the trader and the commission agent, whatever may be the arguments put forth in its favour or against it.

(iii) *Hatta-cum-auction system*.—A compromise is sometimes made between the *hatta* system and the open auction system and the price which is fixed under cover is declared openly and subsequent offers are invited before the bargain is finally closed. This system is followed in the cotton market of Amraoti and the vegetable market of

Ahmedabad, both of which have been regulated. In practice, this system hardly has the advantage claimed, because the mutual understanding between the traders is so strong that in the open auction that follows none comes forward to outbid his colleague.

(iv) *Fardi system*.—In some of the important markets of Marathwada in the Maharashtra State, commodities other than cotton are sold by open auction in heaps or in carts. But the sale of cotton is effected in a different manner. The auction under this system is conducted without the commodity being physically present. The *arhatias* are divided into six *fardis* or groups. Every day the total arrivals of the one group fixed for the day is put to auction as a single lot and is purchased by the buyer who offers the highest bid. The *arhatias* of the other five groups could then sell the cotton of their clients to any buyer of their choice at the rate bid for the day. If, however, the *arhatias* of the other groups feel that they are not likely to have any buyers, they are required to offer their names to be entered in the *fardi* before the auction starts and the highest bidder of that day has to purchase the entire arrivals of the other groups as well. This system of sale is detrimental to the interests of the sellers as the value paid is not based on quality factors of individual lots and often is a source of disputes.

Block-wise system.—This system of sale was in vogue only in one market, viz., Raichur, and that too in respect of cotton and groundnuts only. The market yard for this purpose has been divided into 16 equal blocks, each having about 8 to 9 shops of commission agents. The auctions used to be held in the sale hall of the market committee where all the buyers used to assemble at the prescribed hour after having gone round all the blocks and visually assessed the quantum of arrivals and the quality thereof. Each individual block was then put to auction and the name of the highest bidder noted down. This procedure of auctioning continued until all the produce in different blocks had been sold out excepting the last block which was left out for the small buyers who could buy their requirements at the highest bid price of the day. The highest bid quoted amongst the 15 blocks auctioned was taken as the price of the day for the sixteenth block. If there was none coming forward to lift the produce of the sixteenth block, the bidder of the highest price from amongst the fifteen blocks must lift all the produce in the sixteenth block as well. In order to ensure that fictitious bids were not made, it had been made incumbent on the part of the final

highest bidder, that in case the highest bidder of any particular block was found unwilling to buy at the bid price, he should buy the entire arrivals of any three blocks including the one for which he was the highest bidder. The auctions were held by rotation and every time one block by rotation was reserved for purchases by small buyers. Very often the buyer claimed reduction in price for the entire block on the plea of quality variation and if this was accepted, the bidders of all other blocks are also allowed the same reduction which, however, was subject to a maximum limit of one rupee per *palla*. This system, however, had its own drawbacks inasmuch as the purchaser was supposed to have seen all the produce arriving in the market and to have assessed its quality, which is well nigh impossible for an individual to do. As a matter of fact, this system of sale has very recently been given up in favour of the open auction system. The commission agents, however, have been clamouring for the continuance of this system.

(v) *Open agreement system*.—This system of sale allows for direct negotiations between the sellers or their commission agents on the one hand and the buyers on the other. The produce, in this case, is supposed to be sold at the highest possible price of the day. In a large number of markets, where the day's arrivals cannot be auctioned on the same day, the market committees have permitted sales by open agreement. This system is not to the advantage of the seller in that the price arrived at by such mutual negotiation may not be the most competitive rate in a large number of cases.

(vi) *Tender system*.—This system of sale has been in operation since 1940 when it was started at Tindivanam in South Arcot district of Tamil Nadu. Under this system, the lots of groundnut kernels, which is the most important commercial crop notified for regulation in this market, receive some attention by way of pre-cleaning before being exhibited for inspection by buyers in the regulated market. In Tindivanam and other regulated markets of South Arcot district there is no commission agent between the seller and the buyer. The produce brought by the seller is received by the yard *mistri* who gets it unloaded in the transaction shed. It is then made into a composite heap. The official of the market committee to whom this work is allotted, if he thinks that the produce brought by the sellers needs further cleaning and sieving to bring down the percentage of foreign matter and 'nooks' (small fragments or broken

pieces of groundnut kernels), issues such directives for the cleaning of the lots. The composite heap is then filled in gunnies supplied by the market committee in standard weight as provided in the bye-laws. The committee assumes all the responsibility regarding correct weight until its delivery to the buyer. The adoption of the above procedure by the market committee assures a uniformly good quality of the produce in all the bags of the same lot as represented by the top layer in the bags. This facilitates inspection. The bags are then arranged lot-wise in the same order in which they are received by the yard foreman. Each lot is assigned a lot number and a slip indicating the lot number is given to the owner of that lot. Before the time stipulated for submission of tenders, the intending buyers examine the lots and record in the tender slips supplied by the market committee their bids in respect of the lots in which they may be interested. These tender slips are then deposited in the sealed box kept for the purpose. Simultaneous with the depositing of the bid slip, the buyer also signs in a priority register kept for the purpose. This is with the object that in the case of a tie where two or more buyers might have quoted the same price for the same lot, the one who deposited the slip first as indicated by the priority register is deemed as the highest bidder of the said lot. Lots that arrive upto a particular time fixed for the purpose are included in the first batch for which tenders are usually opened by 10 a.m. Likewise, depending on the arrivals, the market committee will call for quotations twice or even thrice, so that even if a seller comes a little late due to any unforeseen circumstances, or if the lots in one batch become too unwieldy for proper handling they will get a turn within the course of a few hours. At the appointed hour, a bell is rung and thereafter no tender slips are allowed to be deposited. The tender box is then opened and the tender slips are compared lot by lot by the Market Superintendent and the highest quotation for that lot is recorded in the 'Bid Declaration Slip'. The maximum price quoted is announced through the loudspeaker for the benefit of sellers and buyers. If any seller is not willing to part with his produce at the price announced, he has to inform the Market Superintendent within the time limit fixed for the purpose. In the absence of such intimation it is taken that the seller is agreeable to part with the produce at the rate announced. In this system of sale the physical labour involved is the least for the different parties concerned and there is a certainty of completing the sale of all the lots

by the stipulated hour irrespective of their number. It has been further observed from the case studies conducted, that the difference in price offered by the declared highest bidder and the next one in many cases amounts to as much as a few rupees. This clearly indicates that the prices quoted are based more on individual calculations of profit margin than by simply working out the parity price based on the terminal prices. This tender system of sale has one definite advantage over the open auction in that it is time saving. This has been successfully practised in the regulated markets in South Arcot for the past 25 years and is also followed by some other markets in Tamil Nadu. It has satisfied the sellers, the buyers and the market committee. This system is now adopted with slight modifications by the market committees at Davangere, Hubli, Shimoga, Mangalore, etc., in Mysore with success. Instead of the lots ready for sale being centralised in one place as in South Arcot, the lots are arranged by individual commission agents in their respective premises. The intending buyers visit the commission agent's shop and record their quotation in the bid slip supplied by the market committee and deposit these in boxes (boxes of different colours are provided for different commodities) placed at convenient centres of the yard. The bid boxes are opened at the prescribed time and the names of the highest bidders for various lots announced on mike and later confirmed in writing by the committee and the buyers.

(vii) *Forward and moghum sales system*.—Forward sales, *moghum* sales or nominal sales are the different names of a method of sale wherein transactions are effected only on the basis of an oral understanding between the buyer and the seller without mentioning the rates, it being understood that the buyer will pay the price prevailing on a particular date. This system is usually adopted where the agriculturist borrows money from traders or where the place of his residence is far away from the market.

Information available from the various regulated markets in the States indicates that the open auction system is the most common and popular method of sale. It is exclusively being followed for all the commodities in 81 per cent of the markets. In the remaining 19 per cent of the markets, at least some commodities are disposed of by methods other than open auction, though even in these very markets the open auction system may be followed for certain other commodities. Sale by sample is adopted mostly in markets where the market

committees have not established market yards or in secondary markets like Hyderabad and Bangalore. The tender system is in vogue in the regulated markets of South Arcot District in Tamil Nadu and has recently been introduced in a few markets of Mysore State, particularly in Karnatak Division.

The *fardi* system was popular in the sale of cotton in Karheli, Udgir, Purli, Sailu, Parbhani, Purna, Manwath, Aurangabad and Latur markets in the Marathwada region of Maharashtra State, but even these markets have now switched over to open auction sales. The open agreement system is followed in markets where the producers are unable to get their turn in regular auction on the day they come to the market. The *hatta-cum-open* auction system is followed in the vegetable market of Ahmedabad.

Quick conduct of sale and assurance of the most competitive price to the producer-seller are the most important functions of a market committee. The Mysore Seminar which had gone into the question on different methods of sale, recommended the open auction system or the tender system depending on local conditions. It is, therefore, necessary that any system of sale other than the open auction or the tender system should be discouraged and preferably banned under the bye-laws.

7.13. Weighment.—Almost all the Markets Acts and the Rules framed thereunder provide for the weighment of notified commodities by weighmen licensed by market committees or by weighmen appointed by the market committees and paid from their own funds. The system of weighing notified commodities by licensed weighmen is common in the majority of regulated markets. There are, however, a few market committees in Andhra Pradesh who have appointed weighmen borne on their establishments. There are also a few market committees in Maharashtra, Gujarat and Mysore States, which have permitted weighmen in the employ of commission agents or buyers to undertake weighment by issuing them formal licences.

Weighment is an integral function in the completion of a sale transaction and hence the need for its impartial execution cannot be over-emphasised. For this reason, the weighmen

should preferably be a third party interested neither in the seller nor in the buyer and, therefore, the continuance of the employees of traders as weighmen (even if licensed) cannot be justified.

The procedure in regard to the allotment of work to the weighmen and the collection and distribution of weighment fees among them differs in different markets. In some markets, weighmen are free to take up weighment work with any trader of their choice and to collect their prescribed remuneration directly. This kind of freedom is not without serious defects as some weighmen work hand and glove with traders to the detriment of the seller. To safeguard the interests of the producer-seller many of the market committees now distribute licensed weighmen by rotation and assign them to different commission agents and traders from time to time. At Nizamabad in Andhra Pradesh, the licensed weighmen, about 40 in number, have voluntarily formed themselves into four groups and each group works in rotation in different sections of the market yard. The head of each group collects the prescribed remuneration from the commission agents and distributes the same equally among the members. In markets like Warangal and Jangoan in Andhra Pradesh, the market committees have appointed their own weighmen on regular pay basis, meeting the expenditure on them from levy of weighment charges. A similar procedure with slight modifications has been adopted by a few other markets in Andhra Pradesh, Maharashtra and Mysore States. The weighmen in these markets have formed themselves into associations and work by rotation, under the direct control and supervision of the Market Secretaries. The respective associations have also been made responsible for the collection of weighment charges and for their equitable distribution among their members. Though the majority of these associations of weighmen are not registered bodies with any set rules and regulations, they still observe a certain code of conduct and work on an agreed basis. The weighmen's association at Sangli, "The Rashtriya Napade Sangh", however, has been registered under the Indian Trade Union Act.

Some of the market committees have assumed the role of contractors committed to regularly make available an adequate number of weighmen in their market yards, but this has not proved to be a good arrangement. It has been observed that in such markets some inexperienced and unsuitable

persons have been appointed under pressure or on the recommendations of vested interests resulting in some heart-burning of the experienced weighmen who in fact have to do most of the work without any extra remuneration. Apart from this, these market committees have not been able to meet the cost of such a big army of weighmen from out of the weighment fees collected and have to meet the deficit from other heads of revenue.

The various systems regarding the working arrangement for weighmen discussed above would indicate that the system of allowing the licensed weighmen to work wherever they like is not conducive to impartial weighment. They, therefore, must be made to work by rotation under strict supervision to ensure impartial weighment. The market committees should also on their part see that every licensed weighman gets a fair return for his labour and is also paid promptly. To achieve this the market committees should in the first instance correctly assess the number of weighmen that should be licensed, depending upon the workload, and fix a fair remuneration for their services that would keep them away from temptation. There should also be no objection to their directly collecting the weighment charges and distributing the same among themselves. In order to give a practical shape to these suggestions, the weighmen should form associations of their own and get such associations registered under the Co-operative Act (not under the Indian Trade Union Act as has been done at Sangli). The bye-laws framed by the market committees may also have a clause making it obligatory for the weighmen to form themselves into associations and get the same registered under the Co-operative Act.

Getting the weighment done through employees of the market committee, deserves some examination and comments. Once they become regular employees of the committee, the weighmen may not take up their work so earnestly and with that responsibility as licensed weighmen do because their rights and privileges are protected by Service Rules.

The place where the weighment should be carried is another important issue which has been engaging the attention of market committees. In about 55 per cent of the regulated markets weighment is done in the yard itself. In another 13 per cent of the markets it is done outside the yard. In the rest of the markets, weighment of some commodities is done in the yard and in the case of some others at the buyer's

premises. The position in regard to some of the States is given in the table below :

TABLE 12

Percentage of market committees adopting different systems of weighment in various States

State	Percentage of market committees adopting		
	Weigh- ment inside the yard	Weigh- ment outside the yard	Weighment both inside and outside the yard
(1)	(2)	(3)	(4)
Andhra Pradesh	69	11	20
Maharashtra and Gujarat	53	20	27
Madhya Pradesh	47	40	13
Mysore	51	13	36
Punjab	57	3	40
Tamil Nadu	20	20	60
Overall average	55	13	32

The system of weighment outside the yards is largely followed in the regulated markets of Madhya Pradesh. The main drawback in this system is that it becomes very difficult for the market committee's staff to exercise adequate check on weighmen and also on buyers who on one pretext or the other claim allowances much to the inconvenience of and embarrassment to the sellers. Arguments put forward in favour of weighment at the buyer's premises are no less weighty. It is claimed not only that there is a saving in handling costs but also that there is very little spoilage of the produce, especially where the market committees have not provided *pacca* floorings for unloading the produce. Since the sellers have a genuine cause for complaint regarding the practice of weighment outside the yard, this practice should be discouraged.

7.14. Katla or check weighment.—Very often, the buyer is absent at the time of actual weighment of the produce purchased by him. In such cases, the weighment is done in his absence and he is given an option to check a certain percentage of packages. If such check weighment reveals any shortage, the buyer can legitimately claim the shortage ; on the same analogy, if there be any excess in weighment, the buyer should be willing to pay for the excess weight. In actual practice, however, this is not found to be the case. In the regulated markets of Punjab (except for a few markets like Khanna), the buyers claim one and a half times the actual shortage in weight, but in the event of any excess weight, the seller is not benefited. In certain markets like Moga and Amritsar the *katla* or check weighment is done mostly in the evenings and if perchance the seller has left the market after receiving his sale proceeds by the time the shortage is noticed, the weighman is held responsible and is made to pay for such shortage. To safeguard against such situations, the weighmen, it has been observed, make a deduction of about one-fourth to half a kilogram per bag from the actual weight at the time of recording the weighment details. Some check weighments carried out in Amritsar market have revealed that such a practice by the licensed weighmen has become quite normal. The above situation obtaining in the Punjab markets has since been remedied by a specific provision made under Rule 25(1 to 7) of the Punjab Agricultural Produce Markets Rules, 1962, which lays down the procedure for test weighment of agricultural produce sold in the markets. The seller, the buyer and the weighman—all have been apportioned their share of responsibility in seeing that weighment is done correctly.

Some other malpractices, though not very common, are still found to continue in some of the markets. One such malpractice is that the produce left over, after filling the last package, is not accounted for in the total weight specially when the weighment is done by a hand scale and the left over produce weighs less than 2 kilograms. This kind of malpractice is said to be prevalent in Dhulia market in West Khandesh of Maharashtra. Similarly, in Baramati market, free allowance of half a kilogram of jaggery for each *bheli* is claimed by the buyer. Such allowances, when calculated in terms of value, mean a big loss to the producers. The market committees should put a stop to such malpractices.

7.15. Weights and measures.—To check fraudulent use of weights and measures, the Weights and Measures Act has been passed and enforced in all the States which have passed the Agricultural Produce Markets Acts. In Andhra Pradesh, Maharashtra, Gujarat and Delhi, these Acts are administered by the Industries Department. In Mysore and Orissa, the heads of Marketing Departments have been vested with powers to enforce the Weights and Measures Act. In Tamil Nadu and Kerala, there is a separate Controller of Weights and Measures. There is strict checking of weights and measures used in the regulated markets by the Inspectors of the concerned Departments as well as by the staff of the market committees. In Punjab, the Chairman or the Secretary of the State Marketing Board or of the Committee or anybody authorised in this behalf by the Chairman of the Board, is entitled any time to inspect, examine and test any weighing instrument, weight or measure used or kept or possessed within a notified market area by a licensee under Sec. 10 or Sec. 13 of the Punjab Weights and Measures Act of 1958.

Generally, wherever the Marketing Officers or Market Committees have not been delegated any powers under the Weights and Measures Act, appropriate action in case of contraventions is often delayed. The result is that the market committee staff loses all enthusiasm in checking the weights and measures in the markets. Weighment being an integral function of the marketing process, market committees should, as in Punjab, be vested with powers to supervise and check weights and measures in their respective notified market areas. The concerned State Governments may consider this and vest the Chairmen and Secretaries of Market Committees with power to examine and test any weighing instrument, weight or measure within the market area.

7.16. Trade allowances.—Almost all the Markets Acts invariably lay down that no trade allowances other than those prescribed by Rules or Bye-laws shall be made or received by any person in any transaction in respect of the notified commodity and that no Civil Court shall in any suit or proceedings have regard to any trade allowance not so prescribed. The explanatory note to this provision also lays down that every deduction other than the deduction on account of deviation from the sample or standard on which purchase has been made or on account of the difference between the actual weight and standard weight of the sacking or on account of

admixture of foreign matter shall be regarded as trade allowance.

Equipped with this provision and directed by the Rules, every market committee has prescribed in its Bye-laws a list of allowances which alone may be claimed within the market area. In the Punjab, for instance, it is provided that the exact weight of the gunny bags or the packing material alone is considered for calculating the tare ; during *katla* or check weighment, full adjustment of excess or shortage in weight is made; all samples are paid for ; and that in the case of future sales where deals are settled on the basis of standard contract terms, all deviations from the prescribed standards are allowed to the buyers. Though these are the only legitimate allowances permissible under the law, yet, in actual practice, adjustment of the excess weight, whenever found, is never made in favour of the seller, while on the contrary in the case of shortage, one and a half times the shortage is exacted from the seller. It is to be hoped that with stricter enforcement of the provisions in the Markets Acts, an end will be put to this kind of exaction by the buyers. Similarly in certain markets a dirt allowance of 250 grams per 40 kilograms of kapas or 1 kilogram per 40 kilograms of groundnut is allowed to the buyer. In many of the markets *karda* or deduction in kind is also made by the dealer on the spot after estimating the dirt or moisture in the produce. Tare for an empty gunny bag which generally weighs less than a kilo is calculated at one kilo. All these deductions have a heavy impact on the seller's returns. There is need for strict enforcement of the Rules and Bye-laws in this regard and all conventions which do not conform to the prescribed rules and regulations should be put an end to.

In Mysore State, in the markets, governed under the Bombay Agricultural Produce Markets Act (the Mysore Agricultural Produce Markets Regulation Act, 1965, has not yet been enforced) there is variation in the type and quantum of allowances permitted under the bye-laws of various market committees. For cotton ginned and unginned an *ad hoc* tare allowance of 4 to 5 kilograms is permitted to be made in Jamkhandi, Gadag, Hubli, Annegiri, Dharwar, etc. A tare allowance of 1½ kilograms for groundnuts and 2½ kilograms for safflower, gram, *tur* and chillies is also permissible. In Bijapur market, *katakati* allowance of half a kilogram for cotton, groundnuts, safflower, linseed and sesamum is allowed. In Byadgi also a tare allowance of 3 kilograms for containers made

of mat and $1\frac{1}{2}$ kilograms for gunny bags is permitted. In addition to the above allowances, a driage allowance as may be determined by the market committee is also allowed to the buyer. It was reported to the Bombay Expert Committee (the above markets before reorganisation were in Bombay State) that these provisions are not very well respected and "an effort is made to secure additional benefits by taking disputes to be settled outside the market committee". In Bijapur market, a report was received by the Expert Committee that "trade allowances are granted separately for driage as well as moisture". In the erstwhile Mysore markets, the bye-laws of some of the market committees provide for deduction of allowances for driage, weight of containers, etc., at such rates as may be fixed by the committees from time to time. These bye-laws also provide that a buyer shall pay the value of the containers to the owner of the containers at 80 per cent of its value when new, at 60 per cent of its value when yet unpatched, and at 25 per cent of the value when the container is old and patched up. The value of the used container is to be determined by the market committee from time to time. In actual practice, however, this is not followed by the buyers.

In a few of the markets established under the Hyderabad Markets Act, a scale variation called *jhukta* is permitted to be overlooked to the extent of $\frac{1}{4}$ kilogram per weighment, but in actual practice more than this is claimed as a matter of right. Although no other kind of deduction is permitted under the Rules, yet in some markets in the case of commodities like groundnut, castor, chillies, kapas, tamarind, etc., deductions to the extent of 2 to 3 per cent are made.

The provisions prohibiting deduction or exaction of an unauthorised nature are also made in the bye-laws of regulated markets in other States. In Tamil Nadu, for instance, a weight equivalent to that of the bag containing the produce and the string attached to it, is added to that side of the scale having the weights in order to counterbalance the tare weight. Also, any sample drawn is required to be paid for.

The provisions made in the rules and bye-laws, as reviewed above, no doubt empower all the market committees to keep a complete check on the nefarious activities of the unscrupulous dealers and functionaries who indulge in unauthorised deductions. But sufficient importance is not being attached by some of the market committees to the enforcement of the various provisions made in this regard and such allowances

are still common and current in some of the regulated markets. Calculated in monetary terms, these unauthorised deductions clip a good bit of the sellers' earnings. Supervisory staff of the market committees should devote more attention to this aspect to safeguard the interests of the producers for whose benefit the Agricultural Produce Markets Acts have been enacted. It is also necessary that there should be frequent checking of tare allowance prescribed in respect of various types of containers in which commodities are brought by the producers into markets and changes should be incorporated in the bye-laws as and when found necessary.

7.17. Trade disputes.—In a commodity market where thousands of transactions take place every day, some disputes are inevitable between the sellers and the buyers. The quality of the produce, its weight, payment and other relevant matters are involved in the finalisation of a deal. Provision has been made in the Rules and/or in the Bye-laws framed under all the Markets Acts to receive, hear and settle such disputes. The Rules provide for the appointment of a disputes sub-committee (or a board for the settlement of disputes as under the Maharashtra Rules, 1967) and/or panels of arbitrators for the purpose. While constituting these committees or panels an equitable representation is given to both the sellers and the buyers on the disputes sub-committee/board and on the panel of arbitrators.

In the Rules framed under the Madras Commercial Crops Markets Act, the disputes sub-committee consists of four members appointed from amongst the members of the market committee—one representing the growers, one the traders, one a Government nominee, the fourth being either the Chairman or the Vice-Chairman of the committee. The sub-committee is charged with the settlement of disputes between buyers and sellers of commercial crops or their agents. The bye-laws framed under the Madras Agricultural Produce Markets Act, 1959, provide for a similar pattern of constitution and composition of the disputes sub-committee. Under the Bihar Agricultural Produce Markets Rules, 1962, the disputes sub-committee is to consist of five members—two representing growers, one representing traders, one a representative of co-operatives and one the Vice-Chairman of the market committee who shall also be its Chairman. Unlike the other State Acts where the decision given by the disputes sub-committee is final, the Bihar Rules of 1962

provide for an appeal to the Deputy Director against the orders passed by the disputes sub-committee. The decision of the Deputy Director is final and binding on both the parties to the dispute. Under the Madhya Pradesh Agricultural Produce Markets Rules, 1962, the constitution and composition of the disputes sub-committee is in the same manner as in Bihar excepting that in place of a representative of co-operatives, the fifth member on the sub-committee is to be a Government nominee on the market committee. The Board for the settlement of disputes under the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967, is to consist of (i) Vice-Chairman, (ii) three members elected from agriculturists' constituency, and (iii) two members elected from traders' constituency if the Vice-Chairman is not elected from that constituency and one member if the Vice-Chairman is elected from that constituency, to decide disputes or to decide appeals against decisions of the arbitrators or the Secretary.

The normal procedure for the settlement of a dispute is that the aggrieved party or parties have to report in writing to the Secretary of the market committee giving full details about the disputed matter. On receipt of such a complaint, the Secretary in the first instance tries to amicably settle the dispute himself but in case the parties to the dispute are not satisfied, the dispute is referred to a panel of arbitrators for decision. If any of the parties is still not agreeable, an appeal could be made to the disputes sub-committee/board whose decision is binding on both the parties.

Submission of disputes by sellers and buyers or their agents to arbitration is compulsory under some Acts and optional under others. For instance, the Rules under the Bihar and Hyderabad Acts specify that all disputes arising in the course of market transactions shall be referred to the Committee or to the arbitrators. In the Bombay Rules (old) the words 'may agree' have been used 'to the settlement thereof'. The Market Secretary, under the Rules or Bye-laws, is the first arbitrator to whom all such disputes shall be referred for settlement. An appeal by the aggrieved party is referred to a panel of arbitrators or to an umpire. Failing a settlement, the entire dispute is placed before the disputes sub-committee. The Bye-laws do not prescribe the arbitration procedure in detail. The procedure regarding the appointment of an umpire, intimation to the Civil Court and other matters have to be clarified so that the execution of awards of arbitrators by the Civil Courts under the Indian

Arbitration Act may be facilitated. At present the parties to disputes, especially buyers, are found to disregard the awards of arbitrators either by not carrying them out or by going into appeal against the awards made. The market committees do sometimes resort to the suspension of licences of those who do not comply with the award given. There are very few instances where recourse has been taken by market committees to Civil Courts for the execution of awards given by arbitrators or the disputes sub-committee. It is, therefore, expedient to make adequate provisions for the arbitration of disputes in the Acts, Rules and Bye-laws. Co-operative societies under the Co-operative Acts and certain other institutions like the Life Insurance Companies, the Commodity Exchanges, etc., have clearly defined, in the Acts governing these, the procedures for hearing and settlement of disputes arising between the members in the course of their legitimate transactions. Inclusion of similar provisions in the Rules and Bye-laws framed under various Markets Acts will be helpful in executing awards made by the arbitrators.

An idea about the nature of disputes and the methods of their settlement can be formed from the following table in which an analysis of the various types of disputes arising in the course of buying and selling and the mode of their settlement has been attempted.

TABLE 13

Percentage of disputes arising due to quality, weight, payment, etc., and mode of their settlement

State	Percentage of disputes due to					Disputes settled by		Total
	Quality	Weight	Payment	Other reasons	Total	Secretary	Panel or other means	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Andhra Pradesh	88.7	3.1	4.1	4.1	100	96.9	3.1	100
Maharashtra and Gujarat	96.3	0.7	2.0	1.0	100	99.3	0.7	100
Madhya Pradesh (Before reorganisation)	58.9	19.2	9.2	12.7	100	75.8	24.2	100
Mysore	30.0	32.5	7.5	30.0	100	97.5	2.5	100
Punjab	16.8	39.6	5.5	38.1	100	85.1	14.9	100
ALL STATES	86.7	5.4	3.2	4.7	100	95.5	4.5	100

It will be seen from Table 13 that, on the whole, more than 85 per cent of the disputes arise due to quality. In the Punjab and Mysore, however, about one-third of the disputes have been due to other reasons which cover disputes due to allowance for containers, dirt or impurities or deductions. Disputes due to weight are also significantly high. With regard to the settlement of disputes, it would be observed that the Market Secretaries were able to amicably settle about 95·5 per cent of the disputes and it was only in 4·5 per cent of the cases that recourse had to be taken to arbitration by either a panel or the disputes sub-committees. In Madhya Pradesh, however, quite a substantial percentage of disputes had been referred to the panel for settlement.



CHAPTER VIII

MARKET CHARGES

8.1. Market charges defined.—Market charges are those charges that are incurred by the seller or the buyer or both from the time a commodity enters a market for sale till the time the title of ownership of the goods is transferred from the seller to the buyer.

In the course of a transaction involving the sale, purchase and transfer of the title of goods, a number of operations are involved which cannot be attended to by the sellers or the buyers themselves and necessarily have to be done by the respective functionaries, earmarked for the purpose. Hence the need for payment of remuneration to them at customary or prescribed rates. Market charges discussed in this chapter cover all such charges covered by the above definition.

8.2. Nature of market charges and their regulation.—One of the main defects is the multiplicity of market charges and their heavy incidence on the producer-seller. This has been pointed out time and again in the marketing survey reports brought out by the Directorate of Marketing and Inspection. In the absence of statutory regulation in the past, these charges were neither defined nor were they based on service considerations, and were recovered either in cash or in kind or often in both. These had no sanction behind them except the usages or customs prevailing in different markets and were always introduced in favour of the traders and other functionaries, and to the detriment of the producer-seller. These were being collected under a variety of names in different markets, some of which are :

1. *Arhat* (commission)
2. *Dalali* (brokerage)
3. *Hamali* or *Palledari* (handling charges)
4. Weighment (*Tulai* or *Dhadwari*)
5. *Sieving* (*Chhcnnai*, *Chhalani*)

6. *Boriota* (holding the gunny bag for filling during weighing or measurement)
7. *Dhanak* (pushing forward the grain into the scale pan)
8. *Darwada*—*Gowshala* (charity) *Balaji*
9. *Karad* (deduction in kind for quality difference)
10. *Dhalta* or *Jhukta* (leaving the balance in favour of the buyer)
11. *Britti* or *Muthi* (charity in kind for temples, etc.)
12. *Pathshala* (school fund)
13. *Namuna* or sample (shared by both the commission agent and the buyer)
14. *Baisari* (in kind for supervision of weighing)
15. *Doodha Khava* (to pay for milk for buyer's children)
16. Sweeper or *Mashri* or *Jheewal* or water carrier, *Adtyas*
17. *Munimi* (clerk's allowance)
18. *Vatta* (refraction allowance)
19. *Shagirdi* (payment to apprentice engaged by the *adtya*)
20. *Darni* (commission charges to the buyers by the *ka-chcha adtya*),
21. *Patti* (the cost of sale slip)
22. *Batta* (discount for immediate payment)
23. *Bardana* (rent for gunny bags supplied)
24. *Godam* or godown rent.
25. Cart park rent.

These charges, except for *dharni* which was payable by the buyer, were recoverable from the seller for the so-called service rendered to him.

If the propriety or otherwise of the charges in relation to the legitimate services rendered to the seller is examined, it becomes evident that the only justifiable charges among the above levies are *adat* or commission, *hamali* or handling charges, *tulai* or weighment, and sieving. Any deduction in the name of charity of any kind is unwarranted. Similarly, payments to the *mumim* or an apprentice of the *arhatiya* are uncalled for, specially when their principal (*arhatiya*) gets full commission for the services performed by him. Again, there is no case for claiming allowance for quality and weight when the produce is subjected to thorough examination by the buyers before it is offered for sale. Apart from the propriety of the nature of deductions, even the quantum of allowances claimed from the sellers had no relationship with the services rendered by the so-called functionaries.

8.3. Market charges before and after regulation.— It was in the light of these numerous unwarranted deductions and high market charges that the Royal Commission on Agriculture recommended the enactment of the “Agricultural Produce Markets Acts”, suggesting further that the market committees constituted under the Act should be vested with powers to determine the nature and utility of the services rendered by every type or market functionaries and to fix a reasonable remuneration for different functionaries in respect of such services rendered in the regulated markets. Recovery of all unwarranted levies in cash or kind was also prohibited.

The market committees in all the States where regulated markets have been established have allowed to operate in their markets only such functionaries and in such numbers whose services have been considered absolutely necessary and have also fixed the scales of their remuneration commensurate with the services rendered. In consequence, after regulation, the high incidence of market charges previously borne by the producer-seller has been scaled down to a considerable extent.

The following table gives the incidence of market charges before and after regulation of markets in respect of some important commodities in selected important markets.

TABLE 14

Market charges per Rs. 100 worth of selected commodities before and after regulation (based on average price during 1963-64)

A. Groundnut (in shell)

Item	Waran- gal	Mysore	Shimoga	Dhulia	Dondai- che	Kolha- pur	Sangli
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Before regulation :</i>							
1. Commission	1.25	2.00	3.12	1.62	2.50	0.25	2.08 (a)
2. Weighment	1.11	0.50	0.55 (a)	Nil	0.20	..	..
3. <i>Hamali</i>	1.11	0.25	..	0.50	0.20	0.07	..
4. Sweeping, sieving and free sample	1.08	..	..	..	..	..	..
5. <i>Dharmada</i>	1.14	0.12	0.12	0.37	0.03	0.01	..
6. <i>Karda</i> . . . . .	..	5.00	..	..	..	..	..
7. Deduction in kind . . . . .	..	..	11.67	..	..	..	14.58
8. Dust allowance and driage	..	..	..	6.30	5.00	..	..
9. <i>Havasut</i> . . . . .	..	..	..	..	..	1.25	..
10. <i>Katasut</i> . . . . .	..	..	..	..	..	0.40	..
11. Trade allowance . . . . .	..	..	..	..	..	0.32	..
12. Carting space charges	0.06	..	..	..	..	..	..
13. <i>Pinjarpol</i> . . . . .	..	..	..	..	..	0.05	..
14. <i>Gosala</i> . . . . .	..	..	..	..	0.03	..	..
15. Local fund . . . . .	..	..	..	..	..	0.03	..
TOTAL CHARGES	5.75	7.87	15.46	8.79	7.96	2.38	16.66
<i>After regulation :</i>							
1. Commission	1.00	1.56	1.56	1.00	1.00	1.56	1.56
2. Market fee	0.25	0.25	0.27	0.05	0.10	0.20	0.15
3. Weighment	0.05	0.24	0.27	0.16	0.10	0.06	0.05
4. <i>Hamali</i>	0.84	0.20	..	0.40	0.17	0.10	0.15
5. Godown charges . . . . .	..	..	0.18	..	..	..	..
TOTAL CHARGES	2.14	2.25	2.28	1.61	1.37	1.92	1.91
Benefit after regulation .	3.61	5.62	13.18	7.18	6.59	0.46	14.75

NOTE.—(a) includes charity and *gosala* also.

B. Paddy

Item	Before regulation			After regulation		
	Mysore	Niza- mabad	Warangal	Mysore	Niza- mabad	Waran- mabad gal
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Commission	2.00	2.00	1.25	1.56	1.50	1.00
2. Weighment	0.60	4.00	1.66	0.30	0.12	0.06
3. <i>Hamali</i>	0.30	0.07	1.66	0.25	0.36	0.32
4. Dust allowance and drriage . . . . .	..	1.98	..	..	..	..
5. Cash discount . . . . .	..	2.00	..	..	..	..
6. <i>Karda</i>	5.00	..	..	..	..	..
7. Free sample . . . . .	..	0.66	0.90	..	..	..
8. <i>Dharmada</i>	0.12	..	0.96	..	..	..
9. Scale allowance . . . . .	..	0.66	..	..	..	..
10. Market fee . . . . .	..	..	..	0.25	0.25	0.25
11. <i>Gosala</i> . . . . .	..	0.07	..	..	..	..
12. Carting space charges . . . . .	..	..	0.06	..	..	..
13. Sieving and sweeping . . . . .	..	..	..	..	0.20	..
TOTAL	8.02	11.44	6.49	2.36	2.43	1.63
Benefit after regulation . . . . .	..	..	..	5.66	9.01	4.86

C. Cotton (unginned)

Item	Before regulation			After regulation		
	Hubli	Dhulia	Don- daiche	Hubli	Dhulia	Don- daiche
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Commission	1.56	3.00	5.00	0.78	1.00	0.80
2. Weighment . . . . .	..	..	0.31	0.01	0.09	0.07
3. <i>Hamali</i> . . . . .	..	0.50	0.31	0.07	0.12	0.11
4. Dust allowance (excess weighment) . . . . .	..	2.00	10.00	..	..	..
5. Market fee . . . . .	..	..	..	0.25	0.04	0.10
6. <i>Dharmada</i>	0.03	0.13	..	..	..	..
7. <i>Gosala</i> . . . . .	..	..	0.06	..	..	..
8. <i>Pinjarpol</i>	0.05	..	..	..	..	..
9. Surveying and grading . . . . .	..	..	..	0.10	..	..
TOTAL	1.64	5.63	15.68	1.21	1.25	1.08
Benefit after regulation . . . . .	..	..	..	0.43	4.38	14.60

D. Jaggery

Item	Before regulation			After regulation		
	Niza- mabad	Sangli	Kolha- pur	Niza- mabad	Sangli	Kolha- pur
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Commission	2.00	2.58	0.47	1.50	1.56	1.56
2. Weighment	4.04 (a)	..	..	0.06	0.04	0.10
3. <i>Hamali</i> . . . . .	..	..	0.11	0.18	0.12	0.20
4. Dust allowance and driage	2.70	..	..	..	..	..
5. Cash discount	2.00	..	..	..	..	..
6. Deduction in kind . . . . .	..	4.60	..	..	..	..
7. <i>Havasut</i> . . . . .	..	..	1.34	..	..	..
8. Trade allowance . . . . .	..	..	0.67	..	..	..
9. Scale allowance	0.90	..	..	..	..	..
10. Market fee . . . . .	..	..	..	0.25	0.15	0.20
11. <i>Pinjarpol</i> . . . . .	..	..	0.08	..	..	..
12. Local fund . . . . .	..	..	0.04	..	..	..
13. Sweeping and sieving . . . . .	..	..	..	0.08	..	..
14. <i>Gosala</i> and <i>Dharmada</i>	0.04	..	0.02	..	..	..
TOTAL	11.68	7.18	2.73	2.07	1.87	2.06
Benefits after regulation . . . . .	..	..	..	9.61	5.31	0.67

NOTE.—(a) includes charity and *gosala* also.

As may be seen, there were heavy deductions in kind and multiplicity of market charges with higher incidence in the pre-regulation period.

In the post-regulation period, payment of market charges in kind has been totally prohibited by all market committees. Reasonable market charges to be paid only in cash have been prescribed by the market committees in their bye-laws. Further, remuneration has been prescribed only for services actually rendered and not for others.

8.4. Reduction in individual items.—There has been reduction in the market charges in respect of all items, viz., commission, weighment, brokerage and other miscellaneous items when the pre- and post-regulation periods are taken into consideration. Except in some of the markets in Punjab, it can be said that brokers, a class of superfluous functionaries,

have disappeared from the regulated markets, and as a result charges towards brokerage have also been totally reduced. Table 15 on page 135 indicates the incidence of market charges like commission, weighment, *hamali*, brokerage and miscellaneous items before and after market regulation in some States.

In Tamil Nadu in most of the regulated markets there is a considerable reduction in market charges borne by the seller or the buyer, as a major item like commission has been totally removed. In these markets in Tamil Nadu all the market charges are borne by the buyer and the cultivator is not bothered with any deductions from the declared bid price. In all the progressive markets, services which are now rendered by the commission agents should be taken over by the market committees gradually so as to reduce the burden of marketing costs on the seller. If this could be achieved by market committees in Tamil Nadu, there is no reason why this should be difficult elsewhere.

8.5. Market fee.—In all the Acts, provision has been made empowering the market committees to levy and collect market fees on produce bought and/or sold in the regulated market subject to the maximum which has been prescribed either in the Act or in the rules framed thereunder.

Previously, the market fee used to be collected on quantum basis but during the last few years the Acts and/or rules have been suitably amended empowering the market committees to collect the market fee on *ad valorem* basis. There are, however, some markets in Andhra Pradesh, Mysore and Kerala where the market fee is still levied on quantum basis.

The market fee constitutes the main source of income to the market committees and the income from this source determines to a very great extent not only the pace of development of market yards but also the efficiency of enforcing various regulatory provisions.

Information received from Market Committees has shown that, in the case of a large number of markets, the income from this source is inadequate and that such market committees have not been in a position either to acquire sites for market yards or to develop these even with loan assistance from the State Governments and perhaps may not be able to develop a market yard of their own providing the immediate basic amenities

TABLE 15

Range of market charges during the pre- and post-regulation periods in different States
(Figures represent percentage of the value of produce sold)

Markets Act	Commission		Weighment		Hamali		Brokerage		Miscellaneous	
	Pre-regulation	Post-regulation	Pre-regulation	Post-regulation	Pre-regulation	Post-regulation	Pre-regulation	Post-regulation	Pre-regulation	Post-regulation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Bombay (Maharashtra and Gujarat) . . .	0.25 to 5.00*	0.80 to 1.56†	0.20 to 0.31	0.04 to 0.16	0.07 to 0.50	0.10 to 0.40	..	..	2.06 to 6.67	0.05 to 0.20
Hyderabad . . .	1.25 to 2.00	1.00 to 1.50	1.10 to 4.00	0.05 to 0.12	0.00 to 1.66	0.18 to 0.84	..	..	2.28 to 5.64	0.15 to 0.33
Mysore . . .	1.56 to 3.12	Uniformly at 1.56	0.00 to 0.60	0.01 to 0.30	0.25 to 0.30	0.07 to 0.25	..	..	0.08 to 11.79	0.18 to 0.25
Madras . . .	0.32 to 6.25	Nil	0.36	..	0.05 to 0.06	0.20	1.25	Nil	0.00 to 8.43	Nil
Punjab . . .	0.36 to 3.75	0.94 to 2.00	0.75	0.05 to 0.27	0.06 to 1.31	0.07 to 0.25	0.06 to 0.15	0.06 to 0.15	0.06 to 1.62	0.15 to 0.62

*Excludes perishables, viz., vegetables.

†Includes weighment.

for many years to come. Further, such market committees have also been obliged to keep the staff at the barest minimum, with the result that the regulatory provisions in these markets are not properly enforced.

For discharging the duties and responsibilities which have been imposed on the market committees under the respective Acts, the market committees should have adequate income from market fees to enable them to play the role expected of them.

The rates at which market fees shall be levied and collected and the persons from whom such fees shall be recovered have invariably been prescribed in the Act itself or in the rules. The relevant portion in the different State Acts is briefly discussed below. Although Sec. 27(1) of the Bihar Act empowers the market committees to levy market fees at a rate not exceeding 50 paise *ad valorem*, Rule 61 provides for a uniform rate of 0·25 per cent *ad valorem* on all the agricultural produce bought in the market area. The market fee is to be realised from the buyer with the proviso that it can be recovered by the latter from the seller as market charge. Under the Hyderabad Market Rules, a market fee not exceeding 25 paise for produce worth hundred rupees is to be collected from the seller on all agricultural produce brought in the market yard either for storage or for sale. The Rajasthan Rules [58(1)] provide that market committees may levy and collect fees from the seller of agricultural produce at such rates as may be specified in the bye-laws not exceeding 50 paise per Rs. 100 worth of produce and not exceeding Rs. 2 per head of cattle. Under Sec. 23 of the Punjab Agricultural Produce Markets Act, 1961, a market committee may levy fees on agricultural produce brought and sold in the notified market area on *ad valorem* basis, subject to a maximum of 0·5 per cent, leaving it to the State Agricultural Marketing Board to determine the exact scale of charges from time to time. Under the Madras Agricultural Produce Markets Act, 1959, market cess is collected by way of sales tax, subject to a maximum of 0·5 per cent on *ad valorem* basis from the purchaser on all agricultural produce bought or sold in the notified market area. For this purpose it is provided that all notified agricultural produce taken out of or proposed to be taken out of the notified market area shall, unless the contrary is proved, be presumed to be bought or sold within such area. The same is paid by the purchaser of the notified agricultural produce.

Under the Gujarat Rules [48(i)], market fees, when levied on *ad valorem* basis, should not be less than 0·1 per cent and should not exceed 0·4 per cent as is to be decided by the rule making authority.

Sec. 31 of the Maharashtra Agricultural Produce Markets (Regulation) Act, 1963, empowers the market committee to levy and collect fees in the prescribed manner at such rates as may be decided by it (subject to a minimum and a maximum which may be fixed by the State Government) from every purchaser of agricultural produce sold in the market area. Rules framed in this regard provide that the market fee should be paid by the purchaser immediately after weighing or measurement of the declared agricultural produce and further that it should be collected by a servant of the market committee duly authorised in this behalf.

As per Sec. 65 of the Mysore Agricultural Produce Marketing (Regulation) Act, 1965, the market fee should not be more than 30 paise per 100 rupees worth of agricultural produce and should be collected from the buyer.

According to the Madhya Pradesh Act, market fees are payable by the buyer and the seller of notified agricultural produce in equal proportion. Further, the fee is levied more than once on the notified agricultural produce in the market or if it is resold in the market area without passing through the market yard in the course of such commercial transactions between the licensed traders or consumers. This provision is somewhat different from other State Acts/Rules where the market fee is not levied more than once on the same agricultural produce resold in the market yard.

Under the Uttar Pradesh Act, market fee is collected on the sale and purchase of specified agricultural produce from such persons and at such rates as may be prescribed which do not exceed one half of one per cent of the price of the specified produce sold or purchased in the principal or sub-market yard.

From the above review of levy of market fees, the following issues emerge:—

1. Whether the market fee shall be collected from the seller or the buyer or from both.

2. Whether the market fee is to be collected only once irrespective of the fact that the same produce may have been sold in the market including the market yard or whether the fee could be collected again if re-sale is effected in the market yard as provided under the Madhya Pradesh Agricultural Produce Act.
3. Whether the fee should or should not be collected on notified commodities brought only for the purpose of storage, export or processing from outside the jurisdiction of the market committee into its jurisdiction.

As regards the point as to whether the market fee is to be collected from the seller or the buyer or both, it is justifiable to collect the market fee from the buyer as he always has an opportunity to adjust or reflect it in the price paid to the seller or to meet a part of it by forgoing his margin of profit or to transfer a part of it to the consumer, depending on the circumstances. Recovering the market fee on 50-50 basis, as in Madhya Pradesh, will hardly confer any benefit on the seller or lessen the work of the market committees. Judging from the experience of regulated markets functioning in Tamil Nadu, there have been no complaints from the buyers who are not only bearing the market cess (fee) but are also paying other market charges which in other markets are recovered from the sellers. Thus, it would not be unjustifiable if the burden of market fee is shifted from the seller to the buyer.

As regards item 2 above, the proviso under the Madhya Pradesh Act that the market committee may collect fee on the same commodity more than once, provided the produce is re-sold by channelling it through the market yard, appears to be reasonable as all the services are rendered by the market committee whether it is the first sale or a subsequent sale. Therefore, the question of completely exempting the produce from attracting the levy, even if re-sold in the market yard, perhaps requires reconsideration.

Regarding item 3, since the commodities imported for the purpose of storage, processing or for export also derive some of the benefits of the regulatory provisions and other services like dissemination of market intelligence in the jurisdiction of the market committee, it will not be unjustifiable if the market fee is also collected on such produce, though no fees may be levied if such produce is exported or processed

or removed from the market within a reasonable time. In fact, such time limit has been provided in some of the Acts (it is 30 days under the Maharashtra Act, 1963) where the market committees are empowered to collect market fees if the produce has not been exported or processed or removed from the market within the stipulated period.



CHAPTER IX

FINANCES OF MARKET COMMITTEES

9.1. Sources of revenue.—In the matter of finance, market committees are expected to be self-supporting institutions. There are two major sources of revenue to the market committees, *viz.*, (i) the market cess levied on agricultural produce brought, bought and/or sold in the market, and (ii) the licence fee collected from various market functionaries like commission agents, traders, weighmen, and other licensees. Besides these major sources, minor items like grants-in-aid, interest on investment, rents of plots or stalls, fines imposed by courts due to violation of Acts and Rules, etc., also supplement to some extent the income of the market committees.

9.2. Income of different market committees.—The data on the income of market committees in 1964-65 collected from a cross section of regulated markets of different States show considerable variation in income not only from State to State but also in markets within the same State. The table below gives the average annual income of market committees in different States and also the minimum and maximum income of individual market committees within the State.

TABLE 16
Income of market committees

State	Number of reporting market committees	Average annual income per market (Rs.)	Minimum income amongst reporting markets in Col. 2 (Rs.)	Maximum income amongst the reporting markets in Col. 2 (Rs.)
(1)	(2)	(3)	(4)	(5)
Andhra Pradesh	31	50,680	3,551	3,05,504
Bihar	5	20,700	6,387	42,733
Delhi	2	26,492	23,507	29,477
Gujarat	37	48,264	5,786	2,04,503

(1)	(2)	(3)	(4)	(5)
Kerala	1	3,27,095	3,27,095	3,27,095
Madhya Pradesh	49	25,759	1,072	98,239
Maharashtra	83	42,780	775	2,51,795
Mysore	50	59,178	3,587	2,73,155
Orissa	12	27,225	5,503	48,496
Punjab	93	75,399	4,484	3,30,240
Rajasthan	10	20,922	6,276	51,594
Tamil Nadu*	7	3,31,576	77,408	9,11,165
Overall	380	56,530	775	9,11,165

*Relates to district market committees covering markets established under 7 market committees.

It will be observed from the above table that there is wide disparity in the average annual incomes of market committees from State to State. The reasons for such variations in income are :

- (i) the extent of notified area over which the market committees have jurisdiction;
- (ii) the number of commodities notified for regulation;
- (iii) the volume of arrivals of notified commodities in the market yards or sub-yards; and
- (iv) the rates at which the market and licence fees have been prescribed under the Act and/or rules.

In Tamil Nadu and Kerala, for instance, the income per market is the highest because the jurisdiction of the market committees in these two States extends to the whole district unlike in other States where the market area is limited either to some revenue unit or to a radius of certain miles from the market. The income of the market committees in Punjab, Mysore and Andhra Pradesh is comparatively high even though the jurisdiction of market committees in these States is limited. This is because, in these markets regulation has been extended to most of the commodities grown in the area. In markets where only one or a few commodities alone are regulated (*e.g.*, Kolhapur in Maharashtra where only cane jaggery and groundnuts have been notified), the income is obviously less. The lowest average income of market committees in Bihar

and Rajasthan is due to the fact that these market committees have started functioning for the first time after their establishment recently.

The disparity in income in markets within the same State is mainly due to the difference in the volume of arrivals of the commodities notified for regulation in a particular market.

9.3. Relative income from different sources.—As mentioned earlier, the two major sources of income of every market committee are (i) market fee/cess, and (ii) licence fees. While the income from market fee depends on the scale of market fees prescribed for different commodities and the extent of arrivals in the market, the income from licence fees depends on the number of market functionaries licensed with each market and the scale of licence fees prescribed for various categories of market functionaries. The share of the income from these different sources in the total income of the reporting market committees is given in the following table.

TABLE 17

Percentage share of different sources of income in the total income of the reporting market committees (1964-65)

State	Number of reporting market committees	Percentage share in the total income of the committee			
		Market fees	Licence fees	Miscellaneous	Total
(1)	(2)	(3)	(4)	(5)	(6)
Andhra Pradesh	31	78.3	11.3	10.4	100.0
Bihar	5	63.7	31.5	4.8	100.0
Delhi	2	78.4	17.5	4.1	100.0
Gujarat	37	42.8	38.8	18.4	100.0
Kerala	1	38.4	29.2	32.4	100.0
Madhya Pradesh	49	60.9	19.3	19.8	100.0
Maharashtra	83	53.9	22.1	24.0	100.0
Mysore	50	59.8	21.1	19.1	100.0
Orissa	12	75.0	11.0	14.0	100.0
Punjab	93	85.9	2.2	11.9	100.0
Rajasthan	10	62.7	25.1	12.2	100.0
Tamil Nadu*	7	62.9	19.4	17.7	100.0
Overall	380	67.7	15.6	16.7	100.0

*Relates to district market committees.

It will be observed from Table 17 that the major source of income of market committees is the market fees. The only exception is Kerala where the income from this source accounts for only 38.4 per cent of the total income. This is because, in this State, the regulation extends to only arecanuts and coconuts. With regard to licence fees, the percentage of income from this source is maximum in Gujarat because of the relatively heavy licence fees prescribed and also because of the larger number of market functionaries licensed in the markets of that State. In Punjab, the income from licence fees is the least as the scale of fees prescribed for various kinds of market functionaries is the lowest in the whole of India.

9.4. Classification of markets according to levels of income.—It has already been mentioned that there is wide disparity in the annual incomes of different market committees. It will be of interest if this aspect is studied in some detail by classifying the markets in different States on the basis of their total income. Appendix XV indicates the frequency distribution of the reporting market committees according to levels of income during 1964-65. The income groups in which the market committees have been classified are (in thousands of rupees) 0-5, 5-10, 10-20, 20-30, 30-40, 40-50, 50-75, 75-100, 100-150, 150-200, and 200 and above.

Analysing the data presented in Appendix XV, it will be observed that taking all the reporting markets together, one-fifth of the reporting markets fall in the income group of Rs. 10-20 thousands per annum. The share of the markets falling in the income groups of Rs. 20-50 thousands and Rs. 50-75 thousands was 32.9 per cent and 13.7 per cent respectively. The markets whose income exceeds a lakh of rupees and above are not more than 13.4 per cent of the total markets surveyed. Examining the classification of markets in each State, it is observed that in a majority of the States also, a large percentage of markets fall within the income group of Rs. 10-20 thousands.

9.5. Average annual expenditure.—All the receipts of market committees are paid into the market committee fund which can be expended on various items which include, among other things, expenditure on acquisition of sites for market yards, maintenance and improvements of market yards, provision of amenities like water, rest houses, etc., construction and repairs to office and other buildings, expenditure on market news service, payment of salaries, payment of audit fees, municipal taxes, interest on loans, electrical charges, travelling

allowance to members, postage and printing of forms, etc. In States like Tamil Nadu, Maharashtra, Gujarat and Mysore where the respective Acts provide for holding of elections of growers' representatives to market committees, the expenditure for such elections is also met from the market committee fund. Under the Madras Agricultural Produce Markets Act, 1959, expenditure can also be incurred on schemes for extension or improvements of agricultural crops and for carrying out propaganda for bringing about agricultural improvements. The table below shows the average annual expenditure of the 380 reporting market committees during the year 1964-65.

TABLE 18

Annual expenditure of the reporting market committees
(Average, minimum, and maximum during 1964-65)

State	Number of reporting market committees	Average annual expenditure per market committee (Rupees)	Minimum expenditure among the reporting markets (Rupees)	Maximum expenditure among the reporting markets (Rupees)
(1)	(2)	(3)	(4)	(5)
Andhra Pradesh	31	40,620	3,804	2,38,833
Bihar	5	10,854	4,818	20,685
Delhi	2	12,829	11,142	14,516
Gujarat	37	29,674	3,726	1,02,381
Kerala	1	1,92,067	1,92,067	1,92,067
Madhya Pradesh	49	15,292	924	99,059
Maharashtra	83	27,700	998	94,427
Mysore	50	34,861	3,550	2,68,875
Orissa	12	15,026	906	25,749
Punjab	93	35,609	1,696	1,81,471
Rajasthan	10	14,376	7,389	44,729
Tamil Nadu	7	1,69,423	31,275	4,54,377
Overall	380	32,217	906	4,54,377

It will be observed from the above table that the average expenditure per market committee during the year 1964-65 was Rs. 32,217. Against this expenditure, the average income per market committee during the same period was Rs. 56,500 (Table 16). In Tamil Nadu and Kerala States, where the jurisdiction of the market committee extends to the whole district, it will be observed that the average annual expenditure per market is the highest. Andhra Pradesh (Rs. 40,620) and Punjab (Rs. 35,609) come next, followed by Mysore (Rs. 34,861). In Gujarat and Maharashtra the average annual expenditure per market works out to Rs. 29,674 and Rs. 27,700 respectively. The market committees in Orissa, Madhya Pradesh and Rajasthan more or less spend the same amount per market per year (Rs. 14,000 to Rs. 15,000).

9.6. Average annual surplus (or deficit) per market committee.—The data on the average annual income and expenditure per market in respect of the 380 reporting markets have been brought out in Tables 16 and 18 respectively. An idea about the average surplus (or deficit) of income over expenditure in respect of the reporting markets can be had from Tables 19 and 20. It may be noted that, by and large, the market committees in the various States are self-supporting though there are some individual markets which show deficit. The number of such deficit markets is, however, not large. Out of the 380 markets in the various States, only 34 markets (8.9 per cent) showed some deficit.

TABLE 19

Average annual income, expenditure and surplus (or deficit) per market committee in different States during 1964-65

State	Number of reporting market committees	Average annual income (Rupees)	Average annual expenditure (Rupees)	Overall surplus (+) or deficit (—) (Rupees)
(1)	(2)	(3)	(4)	(5)
Andhra Pradesh	31	50,680	40,620	(+)10,060
Bihar	5	20,700	10,854	(+)9,846
Delhi	2	26,492	12,829	(+)13,663
Gujarat	37	48,264	29,674	(+)18,590
Kerala	1	3,27,095	1,92,067	(+)1,35,028

(1)	(2)	(3)	(4)	(5)
Madhya Pradesh . . .	49	25,759	15,292	(+)10,467
Maharashtra . . .	83	42,780	27,700	(+)15,080
Mysore	50	59,178	34,861	(+)24,317
Orissa	12	27,225	15,026	(+)12,199
Punjab	93	75,399	35,609	(+)39,790
Rajasthan	10	20,922	14,376	(+)6,546
Tamil Nadu	7	3,31,576	1,69,423	(+)1,62,153
Overall	380	55,530	32,217	(+)24,313

TABLE 20

Number of deficit market committees in different States and average annual deficit per market committee out of the reporting markets (average of 1964-65)

State	Number of reporting market committees	No. of deficit market committees	Percentage of deficit markets to total number of reporting markets	Average annual deficit per market committee (rupees)
(1)	(2)	(3)	(4)	(5)
Andhra Pradesh . . .	31	8	25.8	12,137
Bihar	5	1	20.0	545
Delhi	2	..	..	..
Gujarat	37	..	..	..
Kerala	1	..	..	..
Madhya Pradesh . . .	49	2	4.1	968
Maharashtra	83	14	16.9	2,033
Mysore	50	2	4.0	1,206
Orissa	12	2	16.7	1,559
Punjab	93	2	2.2	561
Rajasthan	10	3	30.0	1,522
Tamil Nadu	7	..	..	..
Overall	380	34	8.9	4,095

State-wise, the largest percentage of such deficit markets was in Rajasthan, Bihar and Andhra Pradesh. This is perhaps due to the fact that markets in the States of Bihar and Rajasthan had started functioning for the first time during the year. The extent of deficit, however, is not much and is found to be limited to a few hundred rupees only. In Andhra Pradesh also, 8 out of 31 reporting markets were working on deficit, the average deficit being rather high. This appears to be due to the heavy capital expenditure incurred by these markets during the year under review to provide more amenities in the market yards.

9.7. Expenditure on different items.—Every Market Act lays down the manner in which the market committees' funds are to be expended. Besides sizable expenditure on establishment and contingencies like payment of electric charges, water supply, stationery and printing and publicity, the market committees also spend on works of permanent nature such as construction of rest houses, cattle sheds, water and electric installation and their maintenance to provide amenities and facilities to the users of the market. The expenditure incurred by the reporting market committees under various heads like establishment, contingencies and other miscellaneous expenditure which include expenditure on works of capital nature is given in the following table.

TABLE 21

Expenditure incurred by the reporting market committees during 1964-65 on various heads (expressed as percentages to total expenditure)

State	Number of reporting markets	Expenditure on			Total expenditure
		Establishment	Contingencies	Miscellaneous items	
(1)	(2)	(3)	(4)	(5)	(6)
Andhra Pradesh	31	37.1	15.7	47.2	100.0
Bihar	5	60.4	28.7	10.9	100.0
Delh.	2	61.8	31.4	6.8	100.0
Gujarat	37	55.4	12.4	32.2	100.0
Kerala	1	72.8	27.2	..	100.0
Madhya Pradesh	49	51.9	20.8	27.3	100.0
Maharashtra	83	49.5	22.5	28.0	100.0
Mysore	50	54.1	6.6	39.3	100.0
Orissa	12	57.8	10.1	32.1	100.0
Punjab	93	34.7	16.3	49.0	100.0
Rajasthan	10	44.3	23.5	32.2	100.0
Tamil Nadu	7	56.2	23.2	20.6	100.0
Overall	380	46.7	16.9	36.4	100.0

It will be observed from Table 21 that in every State, establishment cost and contingent expenditure take away the largest share of the market committee's resources leaving very little for developmental work.

9.8. Classification of markets based on levels of expenditure.—As mentioned earlier, wide disparity is noticed in the average annual expenditure incurred by the market committees in different States. In Appendix XVI, the reporting markets have been classified into different groups based on their annual income. As may be seen, classification of markets on the basis of expenditure follows more or less the same pattern as in the case of classification based on income levels. The percentage of markets in the expenditure group 10–20 thousand rupees is the maximum (27.4 per cent), followed by the groups 20–30 thousand rupees (15.8 per cent) and 30–40 thousand rupees (12.1 per cent).

9.9. Expenditure in relation to income.—The data on expenditure of the market committees in the different States given in earlier tables could be seen in better perspective if it is viewed in relation to total income incurred by the market committees. The following table gives the expenditure per market committee in different States during 1964-65 as percentage of the income during the same period.

TABLE 22

Average annual expenditure per reporting market committee as percentage of average annual income during 1964-65

State	Number of reporting market committees	Average annual expenditure as percentage of average annual income
Andhra Pradesh	31	80.1
Bihar	5	52.4
Delhi	2	48.2
Gujarat	37	61.5
Kerala	1	58.7
Madhya Pradesh	49	59.4
Maharashtra	83	64.8
Mysore	50	58.9
Orissa	12	55.2
Punjab	93	47.2
Rajasthan	10	68.7
Tamil Nadu	7	45.2
Overall	380	56.4

From the above table it will be observed that, on an average, the market committees in Andhra Pradesh spent the maximum proportion of their income. On the other hand, the expenditure ratio was the lowest in the case of markets in Tamil Nadu and this is to be attributed to the market area of the market committees in the State extending to a whole district against smaller market areas in other States.

9.10. Average expenditure per hundred rupees worth of produce.—The entire edifice of market legislation hinges upon one factor, *i.e.*, the cost of services *vis-a-vis* the reduction effected in the marketing costs as a result of market legislation. An attempt has been made to calculate the service charges per one hundred rupees worth of produce by taking into consideration the annual arrivals in the markets and the values thereof and the total expenditure incurred. These are presented in the following table :

TABLE 23

Average expenditure per reporting market committee during 1964-65 calculated for arrivals worth one hundred rupees

State	No. of reporting markets in each State	Average expenditure per market (Rs.)	Average quantity of arrivals per market (Tonnes)	Average expenditure per tonne (Rs.)	Average value of arrivals per tonne (Rs.)	Average expenditure worth Rs. 100 of arrivals (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Andhra Pradesh	105	45,039	13,297	3.39	759	0.45
Bihar	4	12,363	24,428	0.51	705	0.07
Delhi	2	12,829	14,469	0.89	762	0.12
Gujarat	34	30,224	24,504	1.23	1,012	0.12
Madhya Pradesh	32	12,939	16,118	0.80	631	0.13
Maharashtra	80	28,318	16,495	1.72	814	0.21
Mysore	48	35,627	18,391	1.94	1,028	0.19
Orissa	9	15,831	10,996	1.44	461	0.31
Punjab	70	36,323	32,563	1.12	500	0.22
Rajasthan	5	12,116	12,782	0.95	967	0.10
Tamil Nadu	7	1,49,541	21,578	6.93	1,200	0.58
Overall	396	35,389	19,362	1.83	747	0.24

From the data presented in Table 23 it will be observed that taking all the reporting States together, the service charges do not exceed 24 paise per 100 rupees worth of produce. The service cost in individual States varies according to the volume of arrivals and the value of produce. The payment of this extra cost of 24 paise which the producers now pay (in addition to the usual market charges) as a result of market regulation has been more than compensated by the substantial reduction in the market charges payable by the producers as a result of regulation. Further, the producer has received not only much relief by way of elimination of unauthorised deductions to which he was subjected, but also the advantage of more competitive prices. The users of the regulated markets do not, therefore, grudge paying the small service charge as a result of establishment of regulated markets.

9.11. Possibility of augmenting the resources of the market committee.—There are three ways by which the market committees can augment their resources. These are: (i) by exploiting existing sources of revenue, (ii) by tapping new sources, and (iii) by eliminating unproductive and unwarranted expenditure.

There is a wide variation in the scales of licence fees levied in different States. For instance, a trader or a commission agent licensed under the Bombay Act pays Rs. 100 annually as licence fee, while their counterparts under the Punjab and Madhya Pradesh Acts pay only Rs. 10 and Rs. 50 respectively. In the Telengana area, the licence fee prescribed under the Hyderabad Act for the traders varies from Rs. 15 to Rs. 42. In the Andhra area of Andhra Pradesh, the licence fee under Section 5(1) of the Madras Commercial Crops Act varies from Rs. 25 to Rs. 100, depending upon the commodity a dealer handles. Under the Madras Agricultural Produce Markets Act, 1959, a trader has to pay Rs. 25 for each commodity traded in. This wide disparity in licence fees indicates that there is some scope for enhancing fees where they are too low at present. This is further amply borne out from the following table which gives the percentage to total income of (i) income from licence fees, and (ii) expenditure on establishment charges.

TABLE 24

Income from licence fees and expenditure on establishment of the reporting regulated markets expressed as percentages of total income (1964-65)

State	No. of reporting markets	Percentage of income from fees to total income	Percentage of expenditure on establishment to total income
Andhra Pradesh	31	11.3	37.1
Bihar	5	31.5	60.4
Delhi	2	17.5	61.8
Gujarat	37	38.8	55.4
Kerala	1	29.2	72.8
Madhya Pradesh	49	19.3	51.9
Maharashtra	83	22.1	49.5
Mysore	50	21.1	54.1
Orissa	12	11.0	57.8
Punjab	93	2.2	34.7
Rajasthan	10	25.1	44.3
Tamil Nadu	7	19.4	56.2
	380	15.6	46.7

Another point that is relevant is the basis of levying market fee/cess, *i.e.*, whether it should be on quantum basis or on *ad valorem* basis. In markets administered under the Madras Commercial Crops Act, 1933 (Andhra Pradesh, Kerala and Mysore), and in the markets functioning under the Mysore Act, the market fee is still being collected on quantum basis. This system is the legacy of the past when the prices of agricultural commodities were at their lowest ebb. The conditions have now vastly changed and the prices of all agricultural commodities have considerably increased in recent years. While their income from this source has remained much the same as before, the expenses of these market committees have considerably increased. It would not be unjustifiable therefore if the *ad valorem* system of levying market cess, which is more rational and equitable, is adopted by such States where it is not in vogue at present.

Almost every municipal committee or local body collects each year large sums of money by way of octroi or toll tax on agricultural produce brought within the municipal limits. All earnings from this source, barring a few exceptions, are appropriated by the municipal or local bodies without in any way contributing towards the development of market yards. It would only be fair that the local bodies shared their increased income from this source either by taking up the responsibility for the development of roads leading to and within the market yards and also for providing essential services like water, light, conservancy, etc. This is being done by municipalities of the erstwhile Hyderabad State. If, however, the local bodies do not want to assume direct responsibility, they may at least contribute some percentage of their revenue from octroi and toll tax to the market committees. In this connection, the recommendation made by the Expert Committee appointed by the then Government of Bombay to review the working of the regulated markets in the State is relevant. The Committee states, "The Government should either direct the municipalities to earmark 25 per cent of their revenue from octroi and toll taxes recovered on account of buildings, water tax, sanitation and conservancy and such other taxes for providing amenities in these yards or alternatively for handing over that share to the market committees in order to enable them to provide the amenities which is the legitimate duty of the municipalities. The State Government should also use their influence in bringing round the municipalities to contribute substantially for the development of market yards."

If the suggestion regarding the introduction of market cess on *ad valorem* basis and the payment of contribution by local bodies to market committees is implemented, it would substantially add to the resources of the market committees which will then be in a position to develop the market yards, and provide better amenities and services like grading, market news, etc.

9.12. Assistance from Governments.—It must be noted that the development and growth of regulated markets in any State depends to a large extent on the assistance and encouragement given by the State Governments. This aspect has been amply recognised by the State Governments and the assistance from this source has been forthcoming to the market committees in the form of loans for acquisition of sites, development of market yards, provision of amenities

and construction of office buildings, etc. The loan and subsidies actually made available by the various State Governments during the Second and Third Five Year Plans and the tentative provision made in the Fourth Plan is given in the following table :

TABLE 25

Loans and subsidies to regulated markets by different States during the Second and Third Plans and tentative provision made during the Fourth Plan

(Rupees in lakhs)

Name of the State	Second Five Year Plan (1956-57 to 1960-61)		Third Five Year Plan (1961-62 to 1965-66)		Tentative provision in the Fourth Five Year Plan (1969-70 to 1973-1974)	
	Loan	Subsidy	Loan	Subsidy	Loan	Subsidy
1. Andhra Pradesh . . .	9.00	..	4.80	0.24	..	..
2. Bombay (Maharashtra and Gujarat) . .	21.77	..	60.00	13.65	..	..
3. Madhya Pradesh . .	3.21	..	9.69	0.68	..	..
4. Tamil Nadu . . .	8.15	..	17.0	..	..	..
5. Mysore . . .	18.82	..	23.15	0.90	..	..
6. Gujarat (after bifurcation) . .	..	..	32.55	1.37	..	..
7. Uttar Pradesh . . .	..	..	..	..	..	1.20
8. Bihar . . .	..	..	..	..	10.00	0.20
9. Delhi . . .	..	..	..	..	..	0.40
10. Tripura . . .	..	..	0.32	0.03	..	..
11. Orissa . . .	N.A.	..	N.A.	..	..	..
12. Rajasthan . . .	..	..	..	..	..	..
13. Punjab . . .	..	..	..	..	..	..
14. Assam . . .	..	..	..	..	20.00	0.80
15. Kerala . . .	..	..	..	..	10.00	0.20
16. West Bengal . . .	..	..	..	..	30.00	1.20

The Government of Mysore has gone a step further as regards granting of loans. The traders and commission agents in that State have been resisting to move to new market yards and have been insisting upon loans from the Government for the construction of shops and godowns at the new sites. During 1961-62, a sum of rupees two lakhs was granted by the Mysore Government to merchants in thirteen markets through the respective market committees. Since then the Government of Mysore have been earmarking specific amounts for grant of loans to the traders. As regards subsidy to market committees, the market committees in Maharashtra and Gujarat are usually given an initial subsidy of Rs. 750 to start their work. Before the merger of Saurashtra in the erstwhile Bombay State, the then Government of Saurashtra used to subsidise establishment charges of the market committees for the first five years. During the first two years, each market was given a subsidy to the extent of 90 per cent of its actual expenditure on pay and allowances of staff, subject to a maximum of Rs. 4,500 per year. In the third, fourth and fifth years, this was progressively brought down to 75 per cent, 50 per cent and 25 per cent respectively with corresponding maximum of Rs. 3,375, Rs. 2,250 and Rs. 1,125.

The Government of Maharashtra have since framed rules called the Agricultural Produce Market Committees (Subsidies) Rules (*vide* Government Resolution, Co-operation and Rural Development Department No. 1362/4989/65-Co-op-D, dated 1st February 1963), which provide payment of subsidies for :

- (a) providing amenities in the market yards and towards payment of non-agricultural assessment (amenities have been defined to include buildings, tree plantations, water arrangements, sanitation, rest houses, sheds, sale halls, watchmen's quarters, lighting arrangements, construction of approach roads and platforms);
- (b) appointment of supervisory staff ;
- (c) publicity and propaganda.

Subsidies for (a) above are granted to a market committee whose annual income is less than Rs. 10,000.

- (1) Subsidy for initial expenditure is given subject to a maximum of Rs. 3,000 and each market committee is eligible for subsidy only once during the initial

period of three years from the date on which the market committee starts its actual working.

- (2) Subsidy for providing amenities in the market yards and towards payment of non-agricultural assessment is also sanctioned equal to the estimated cost of amenities and actual cost of non-agricultural assessment or Rs. 10,000, whichever is less.

Subsidies for (b) above are granted to market committees whose annual income is less than Rs. 25,000 for meeting the cost of supervisory staff appointed for the purpose of supervising the work of market yards and for checking illegal transactions in the market area as the case may be. The amount of subsidy under this type is limited to the actual expenditure incurred by a market committee over one post of supervisor during the market year (for payment of pay and allowances and other allowances but not T.A.) or Rs. 1,500 whichever is less.

Subsidy meant for propaganda and publicity is granted to each market committee every year to the extent of actual expenditure incurred by a market committee during the market year or Rs. 500, whichever is less, for carrying out propaganda and publicity in the market area.

In the matter of providing financial assistance to the market committees, the example of the Governments of Gujarat, Andhra Pradesh and Mysore is worth emulating. Under Section 34 of the Gujarat Agricultural Produce Markets Act, 1963, a State Agricultural Produce Markets Fund is constituted to which all the market committees shall pay every year such contribution as may be prescribed. The State Government then, after due appropriation, contributes to the said Fund every year a sum which shall be equal to the amount of contribution made by the market committees. This fund is utilised for subsidising the market committees whose financial position makes it impossible for them to employ a sufficient number of officers and servants for the discharge of their functions under the Act or for discharging any liability vested in the constitution under Sec. 53 of the Act.

A provision of similar nature has also been made under Sec. 15 of the Andhra Pradesh (Agricultural Produce Livestock) Markets Act, 1965, which provides for the creation of a "Central Market Fund" for the whole State to which every market committee has to contribute 10 per cent of its annual income.

The Central Market Fund will be vested with the Government and shall be administered by the Director of Marketing to be utilised for all or any of the following purposes:

- (i) Grants-in-aid to the market committees for the first year after their constitution;
- (ii) Grants-in-aid to a deficit market committee for a period not exceeding 3 years;
- (iii) Grant of loans to the market committees at such rates of interest as are charged on loans granted by the Government for development purposes;
- (iv) Such other similar purposes as may be specified.

It is also stipulated that for all grants-in-aid and loans exceeding Rs. 3,000 the Director shall obtain approval of the Government before sanction.

Under Section 110 of the Mysore Agricultural Produce Marketing (Regulation) Act, 1965, provision has been made for creating a 'Marketing Development Fund' to be managed by the Mysore Government Agricultural Marketing Board (appointment of such Board has been provided for under Sec. 100 of the Act). Every market committee is required to contribute every month to the above Board 5 per cent of its gross receipts during the previous calendar month. The Government makes a grant to the Board of an amount equal to the aggregate amount paid to the Board by the market committees. The purpose for which the Board should utilise the above fund has been spelled out in the Act itself. The items are :

- (i) grading and standardisation of agricultural produce;
- (ii) general improvement of the regulation of marketing in the State;
- (iii) giving aid to financially weak market committees in the form of loans and grants;
- (iv) acquisition or construction of buildings for performing the duties of the Board;
- (v) payment of salaries, pensions, leave allowances, gratuities, compensation for injuries resulting from accidents, compassionate allowances, contributions towards leave allowances, pensions or provident fund of the officers and servants employed by the Board;

- (vi) travelling and other allowances to the members of the Board;
- (vii) propaganda and publicity on matters relating to regulated marketing of agricultural produce;
- (viii) meeting any legal expenses incurred by the Board;
- (ix) *imparting education in the regulated marketing of agricultural produce;*
- (x) training the officers and staff of the market committees in the State; and
- (xi) any other purpose of general interest to regulated marketing of agricultural produce.

If the example set by the Governments of Andhra Pradesh, Maharashtra, Mysore and Gujarat are followed by other State Governments, many of the market committees who have not been able to take up developmental activities in their markets will be able to do so.

The State Governments should also persuade commercial banks to advance loans to the market committees for their developmental plans, the Governments guaranteeing the repayments of the loans and the interest thereon. The possibilities of major market committees securing loan assistance from institutions like the Agricultural Refinance Corporation also need to be explored.

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CHAPTER X

DEVELOPMENTAL ACTIVITIES

10.1. Amenities.—The principal object of the Markets Acts, as discussed in earlier chapters, is to regulate the purchase and sale of agricultural produce so as to enable the producer-seller to get the maximum possible value for his produce. For this purpose, the first and the foremost pre-requisite is that every market committee should have a centralised and well planned market yard. One of the main bottlenecks in the progress of market regulation has been the lack of well laid out market yards with such amenities as good roads, sale halls, and/or auction platforms, godowns, drinking water, space for parking carts, rest houses, trees for providing shelter for animals, etc.

From the details furnished by various market committees it is observed that in a large number of markets the amenities provided fall far short of what might be regarded as the “basic minimum”. In fact, no market committee can claim to have provided all the amenities as laid down in the standards for regulated markets formulated by the Indian Standards Institution. For instance, there are markets where drinking water arrangements have been made for the general public, but nothing has been done for cattle. There are others where rest houses have been constructed but without sheds for cattle. Godown facilities for storage of unsold produce are also lacking in most of the market yards.

A random survey was conducted towards the end of the Second Plan on the types of amenities provided by market committees in different States. The position as brought out by this study is indicated in the following table.

TABLE 26

Percentage of regulated markets in the different States providing various types of amenities (end of Second Plan)

Amenities	(Maharashtra and Gujarat)	Andhra Pradesh	Tamil Nadu	Madhya Pradesh	Mysore	Punjab	Average
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Tube wells .	11.0	22.9	..	12.0	2.6	30.8	14.1
Open wells .	32.9	14.3	70.6	52.0	26.3	56.4	37.9
Hand pumps .	11.0	17.1	52.9	20.0	5.3	66.7	24.7
Other water facilities .	39.7	8.6	35.3	44.0	26.3	51.3	36.1
Water troughs for cattle .	42.7	45.7	88.2	60.0	38.8	71.8	52.4
Cattle sheds .	16.4	5.7	17.6	16.0	10.5	30.8	16.3
Rest houses .	24.7	20.0	10.8	20.0	18.5	25.6	21.6
Cart parks .	45.2	17.1	82.4	48.0	15.8	23.1	38.2
Canteens .	30.1	8.6	52.9	20.0	18.4	20.5	23.8
Radio sets .	37.0	57.1	5.9	8.0	52.6	7.7	32.2
Auction platforms	34.2	45.7	82.4	32.0	31.6	82.1	47.1
Pucca roads	24.7	20.0	64.7	12.0	42.1	71.8	36.6

The kind and quantum of facilities provided by various market committees as indicated by the above table is by no means encouraging. The need for developing market yards and for providing amenities therein was recognised during the Third Plan and it was stipulated that the State Governments should provide adequate funds for extending loan assistance to about 250 market committees for the purpose. A provision of Rs. 1.25 crores was also made for the purpose. But this provision of loan assistance was utilised only by a few States such as Maharashtra, Gujarat, Mysore and Andhra Pradesh.

While it may be true that the income of a large number of market committees even when supplemented by Government loans may not permit the market committees to provide all the basic amenities and other facilities at one stretch, they should nevertheless lay down priorities and draw out a phased programme so that all the required amenities are provided within a reasonable period, preference being given to the provision of water supply, lighting and shelter, internal roads, sale halls, auction platforms and storage facilities.

10.2. Market news service.—The importance of and the need for an efficient market news service for the producer-seller in regulated markets hardly need any emphasis. It strengthens his bargaining position and puts him on equal footing with those to whom he sells his produce. The price information, if available grade-wise, helps him to judge the approximate return he should expect for his produce. It also induces him to produce better quality crop and thus raise the standard of his farming. Recognising the need for such a service, the Rules framed under most of the Markets Acts provide for the dissemination of market news by the market committees.

In the Rules framed under the Madras Commercial Crops Act it has been provided that “the Market Committees shall place at the disposal of those using the market information on such matters as the prices of the commercial crops ruling at the principal marketing centres of the tract and the ports serving the same, the stocks held by the mills and the like and that they shall be published in such manner and within such periods as may be prescribed.” Similar provisions have been made in the Rules framed under the Markets Acts of Bombay, Mysore and Madhya Pradesh also, except that instead of making it obligatory for a market committee to place such information at the disposal of users of the market, the words “in so far as practicable” have been added. Rule 17 under the Hyderabad Markets Act provides that the daily rates of agricultural produce shall be displayed at a conspicuous place in the market yard in the regional language commonly understood by sellers.

10.3. Marketing services rendered by the regulated markets.—The market committees have so far confined themselves to a very limited field in the marketing of agricultural produce. They should widen the scope of their activities. As stated earlier, one of the activities

they can perform usefully is the dissemination of market news for the benefit of producer-sellers, who come to the regulated markets. At present, market committees display, on the notice boards, local and terminal market rates in respect of the notified commodities. In some markets loud-speakers have also been installed for announcing prices. The producer-seller, because of his illiteracy and ignorance of the market mechanism, is unable to follow and make full use of the price information as he is unable to work out the price differentials at various stages. The producer-seller needs information in a form which could be easily understood by him. Moreover, he is specially interested in the availability of market information in his own village so that he can decide when to sell and where to sell. The market committees should, therefore, endeavour to disseminate information relating to prices, etc., in all the villages under their jurisdiction. In fact there should be a "Prices Sub-committee" in every market (like the Disputes Sub-committee) whose function it should be to decide how and in what form intelligence should be disseminated. As regards the cost involved in the dissemination of market news, the market committee should normally bear the entire cost for this service but where the finances of the committee do not permit taking up this work, assistance should be forthcoming from the State.

Besides the dissemination of daily market news, there is need for periodical reviews of the daily market reports. This can well be done by the market committees at fortnightly intervals. Monthly, quarterly and annual reviews may also be brought out for each division in the State by the authority charged with the administration of regulated markets or by the Regional Advisory Committees of the type functioning in the States of Maharashtra, Mysore, Gujarat and Punjab. These reviews should also be made available to the farmers through the agencies mentioned earlier.

10.4. Storage, warehousing and other welfare activities.—The Agricultural Produce Markets Acts and the Rules made thereunder are no doubt fairly comprehensive for promoting orderly marketing. However, the market committees will be able to show better performance if some ancillary services like storage and warehousing facilities are also provided in the market yards. Unfortunately, at present, legislation has not imposed any responsibility on the market committees to provide such a service to the producer-sellers. The only provision that has been made with respect to storage is the

licensing of private individuals who undertake storage either on their own account or rent out storage accommodation to others. The conditions of a licence make it incumbent on the licensees to keep the storage godown in good order and to recover storage charges only at the prescribed rates. Some of the market committees such as Tiruppur, North Arcot, South Arcot and Adoni, established under the Madras Commercial Crops Act, have, however, built their own godowns for short-term use by the producer-sellers. No storage charge is levied for the first three days but thereafter prescribed fees are recovered by the market committees. In the Telengana markets, the State Marketing Department has helped the construction of well laid godowns by the traders according to the town development plans by prescribing type designs for the construction of traders' and commission agents' premises.

The market committees, in general, do not seem to have seriously realised the importance of providing short-term storage facilities to the producers to tide over the glut period. Even where the market committees have provided such storage facilities, little or no propaganda has been done to encourage the producers to avail of the facilities provided. As a result, the growers seldom make use of even the available facilities but instead store their produce with commission agents.

The conditions in which the godowns are maintained by the traders leave much to be desired. Not only are these located in congested localities but no reasonable precautions are taken either to prevent damage by insects, pests, rodents, etc. In fact the market committees have not been in a position to prescribe any minimum standards of construction or maintenance of licensed godowns in their bye-laws and as a result they cannot insist on the licensees following any prescribed code of storage practices as in the case of Government godowns and warehouses. It is desirable that the market committees devote some attention to this important marketing function and provide storage facilities that would not only fulfil all requirements of scientific storage but also provide such storage facilities at a nominal cost. Until that is done, the market committees should persuade the commission agents to re-condition their godowns and take such preventive measures as would make storage of farm produce much safer.

With regard to warehousing facilities purely for storage purpose or for obtaining credit against warehouse receipts, Central and State Warehousing Corporations have established warehouses in some of the regulated markets. While at present there is not much response from growers for availing the warehousing facilities, it is hoped that with sufficient publicity and propaganda by the market committees greater use of the warehouses will be made by the producer-sellers.

10.5. Organisation of inspection and grading service.— In the Bye-laws framed under the Bombay Act it has been provided that “persons doing business in the market area shall not cause adulteration of agricultural produce in such areas and shall be guided by the Rules made by the Market Committees in this behalf.” Under the Madras Agricultural Produce Markets Act, Rules are required to be framed for the prevention of adulteration of notified agricultural produce. It is, however, observed that this provision is not being effectively enforced. The market committees should pay more attention to the quality of the produce so that the buyer feels confident about the lots he is purchasing and is prepared to offer a better price for such produce. In almost all the regulated markets of Punjab and in a few regulated markets of Maharashtra and some other States, a convention has been established that the quality of the produce shall be improved as far as possible by subjecting it to cleaning before putting it to auction. This is a healthy practice and should be encouraged by all the market committees. The committees should, as a matter of fact, amend their bye-laws making pre-cleaning of produce obligatory before sale.

The next step should be the organisation of a grading service with a view to replacing the present system of sale by inspection, by sale by description, which is less time consuming and more scientific. This has become all the more necessary with the establishment of co-operative marketing societies where the small lots of individual producers are pooled and sold in bulk. It has been stressed in the various reports on marketing of agricultural produce published by the Directorate of Marketing and Inspection that for orderly marketing of farm produce, grading on the basis of recognised standards is a necessary adjunct. It is all the more necessary in the case of commodities like cotton. Further, the present system of sale by spot inspection of the entire bulk is unscientific,

time consuming, more costly and is not in keeping with the present day trends and developments. In fact, such methods promote a tendency towards inefficient production, harvesting and marketing. Therefore, to improve the marketing of agricultural produce it is imperative that positive steps are taken to promote the sales in regulated markets on the basis of some standard recognised grades. The Directorate of Marketing and Inspection, in collaboration with the Ministry of Food and the Central Warehousing Corporation, has framed grade specifications for almost all cereals and pulses and all transactions in the regulated markets should be conducted on the basis of these prescribed standards of quality. The sale of paddy on the basis of grade standards was inaugurated by the Chief Marketing Officer, Mysore State, in Mysore market in March 1963. The Mysore Marketing Department has also proposed to introduce sale of kapas and groundnut on the basis of grades in 12 markets of the State. Likewise, in other States also grading centres have been started.

10.6. Co-ordination of the activities of regulated markets with the activities of the co-operative marketing societies.— Close co-ordination between the regulated markets and co-operative marketing societies functioning in the market area will be mutually beneficial both for the regulated markets and the marketing co-operatives. In this connection it will be worthwhile to record the views expressed by the Expert Committee appointed by the Government of Tamil Nadu to review the working of regulated markets in the State. This committee has stated that "Proper and efficient agricultural marketing cannot be successful in a situation where traders are well organised and adopt an obstructive attitude to the regulation. To get over this obstacle, legislation would be necessary to put down such opposition and regulate trade of agricultural produce in the interests of growers. That compulsion can only be provided in a special legislation governing agricultural marketing, as in the present Act, with the proposed changes. These, however, do not form all the duties of co-operative societies whose functions are wider in scope and not confined to one aspect of agricultural marketing. The co-operatives by themselves cannot tackle this problem and that there is a need, therefore, for a separate organisation to regulate and control trade of agricultural produce is obvious. It is pointed out that co-operative societies could contribute towards achieving this end by helping the agricultural producer in getting the best price by other facilities which they are empowered to provide. In order to achieve the object of

securing the best returns for the labour of agriculturists in the matter of disposal of their produce there must be a close co-ordination between the co-operative societies and market committees in every respect and it would be advantageous to function side by side in any area, complementary to each other, rather than function as two independent units. It may be useful for the co-operatives to concentrate on all aspects and create necessary conditions for successful marketing by granting facilities by way of advances, storage, etc. The opinion of those who tendered evidence has been unanimous that these two organisations must work in co-ordination and it is, therefore, advisable to have location of regulated markets and co-operative marketing societies near each other, which could facilitate the functioning of these two agencies with greater benefits to the agriculturists. The co-operative marketing societies may in particular lay emphasis in their activities on financing, processing, storage and transport of agricultural produce which they receive from their members."

CHAPTER XI

JUDICIAL RULINGS ON MARKETS ACTS

A contributing factor to the slow pace of development of market regulation in India has been the numerous challenges made by traders and interested parties in the judicial courts against certain provisions contained in the Markets Acts, Rules and Bye-laws. At times, even the constitutional validity of the very Act itself was questioned. This had the effect of slowing down the programme of market regulation in a number of States. These, however, helped in streamlining the provisions in the subsequent Acts, Rules and Bye-laws as also in removing many lacunae found in the earlier Acts. It will be useful to briefly review the rulings of the judiciary on some of the vital provisions of the Markets Acts.

The details including the judgments in respect of twelve of the most important court cases relating to regulation of markets are given in Appendix XVIII. The salient points of these cases are briefly discussed below.

11.1. Constitutional validity of the Act and the Rules.— Certain merchants in Tamil Nadu had filed three writ petitions in the Madras High Court impugning the validity of the provisions of the Madras Commercial Crops Markets Acts and Rules and Bye-laws framed thereunder. The High Court, while upholding the impugned Act and Rules under Article 19(6) of the Constitution as a valid piece of marketing legislation, had held Section 5(4)(a) of the Act and Rule 37 void. Against this judgment of the Madras High Court, an appeal was filed in the Supreme Court in 1955. It was argued in the Supreme Court on behalf of the appellants that the provisions of the Act and the Rules framed thereunder constituted an unreasonable restriction upon the appellant's fundamental right guaranteed under Article 19(1)(g) of the Constitution to do business and also that the provisions crippled the business of the appellants, restricted the right of small traders and thus exceeded the purpose of the enactment and defeated its object. The Supreme Court held that, having regard to the entire scheme of the Act, the impugned provisions of the Act constituted reasonable restrictions on

a citizen's right to do business and, therefore, were valid. The appeals were accordingly dismissed.

11.2. Failure to prescribe the maximum limit to the market fee.—In 1959, the constitutionality of the Bombay Agricultural Produce Markets Act and the Rules framed thereunder was challenged in the Supreme Court by some traders on the ground that the Act, Rules and Bye-laws placed unreasonable restrictions on their right to carry on trade in agricultural produce and thus infringed their fundamental right guaranteed under Article 19(1)(g) of the Constitution. The Supreme Court did not accept the contention of the petitioners in regard to the constitutionality of the main provisions of the Act. At the same time, the Court accepted the challenge in respect of (i) the provision in rule 53 on the ground that they were *ultra vires* of Sec. 11, there being no maximum fee prescribed by the State Government, and (ii) the provisions in Rules 65, 66, and 67 on the ground that they were *ultra vires* of the provisions in Sec. 5A read with proviso to Sec. 4(2). The Supreme Court ordered the State Government not to enforce any of the provisions of the Act, Rules and Bye-laws with respect to the market till the market was properly established in law for that area under Sec. 5AA and not to levy any fees under Sec. 11 till the maximum was prescribed under the rules.

Consequent on the above decision of the Supreme Court, the State of Gujarat, where the Bombay Agricultural Produce Markets Act was also operative, amended Rule 53 by a notification. An Ordinance was also promulgated by which certain amendments were made in certain Sections of the Act and a new section, *viz.*, Sec. 29B, was inserted in the Act validating certain acts or things done prior to the promulgation of the Ordinance. Some merchants belonging to Ahmedabad and Nadiad raised in the Supreme Court in 1962 various questions as to the constitutionality of the Bombay Act as amended by the Gujarat Ordinance and the Rules and Bye-laws framed thereunder. All these petitions were, however, dismissed by the court with costs.

11.3. Prohibiting trading at the old site consequent on the shifting of the yard to a new place.—In Sangli market in Maharashtra, private traders had put up buildings at a place called Vakhar Bagh where trade in agricultural produce was being carried on. With the establishment of a new market yard of the Sangli Regulated Market at some distance from Vakhar Bagh, trading in the Vakhar Bagh area was prohibited. Thereupon, two of the merchants of Sangli

appealed to the Bombay High Court in March 1955 challenging the Bombay Agricultural Produce Markets Act and the Rules and Bye-laws framed thereunder on the plea that the value of their properties had gone down by reason of the market being shifted to a different place and that the petitioners had been deprived of the property under Act 31 without compensation and that the Act imposed unreasonable restrictions under Act 304(b) upon commerce within the State. The court, however, dismissed the case with costs. It was ruled by the court that it was perfectly within the competence of the State Legislature to prohibit business being done in a particular place and also permit business being done under certain conditions, if public interest demands that a particular business should be carried on only under restrictions and limitations. It was also ruled that before a person can complain that the deprivation of property is illegal because it is without compensation, the deprivation must be direct and not an indirect or incidental consequence of legislation.

11.4. Powers of the market committees to restrict the place of trading.—In 1957, the competency of a market committee to direct that the transaction for the sale and purchase of agricultural produce be made only within the limits of a market, as defined in the Punjab Agricultural Produce Markets Act, 1939, was challenged. In November 1955, there was a short crop of cotton and the cotton buyers and processing units formed into a combine and were paying low prices to the producers. The Taran Taran Market Committee, in order to promote competition and help the growers to obtain maximum price for their produce, then passed a resolution under Bye-law 9-A, that the sale of cotton would thenceforth be confined to the regulated market only. The trial court, while holding the bye-law valid, ruled that the resolution was not in conformity with the provisions of law. The Lower Appellate Court set aside the order of the trial court holding the Market Committee competent to frame Bye-law No. 9-A and that the restriction on sale of cotton was imposed by the Bye-laws of 1947 and not by the resolution of 1955. The matter was then taken up in the High Court in appeal. The contention of the appellants was that Bye-law 9-A did not apply to auctions held outside the limits of markets and that this Bye-law was repugnant to the statute as well as to the rules framed thereunder. The High Court held that the market committees were fully empowered to restrict the place

in which transactions of sales and purchases should be entered into, and dismissed the appeal with costs.

11.5. Delegation of power of taxation to the executive.—In 1957, the Tripur Market Committee in Tamil Nadu called upon one party to pay cess on the groundnuts purchased during the years 1955 to 1957 under Sec. 11(1) of the Madras Commercial Crops Market Act, 1933, and Rule 28(1) of the Madras Commercial Crops Markets Rules, 1948. Against this demand of the Market Committee, the party appealed to the court. The court accepted the contention of the party that (i) the unchannelled and unlimited delegation of power to the executive to fix the rate of tax as it pleased was unconstitutional and illegal, and (ii) the Market Committee could not rely upon the retrospective validation enunciated in Sec. 10 of the amending Act 33 of 1955. Against this ruling, the State of Tamil Nadu went on appeal to the High Court of Madras. The High Court ruled that some indication of limit or some principle with reference to which the executive should determine the rates must be evident in a Section of the Law delegating the power of taxation, before the delegation could be held constitutional. The appeal was, therefore, dismissed.

11.6. Responsibility of the market committee to provide storage accommodation.—In 1960, some of the traders in Warangal challenged the legality of the notice of the Warangal Market Committee demanding payment of various sums as market fees in respect of commodities brought by them into the municipal limits of Warangal, which had been declared and notified as “market yard”. The petitioners raised two points. First, it was contended that the Government had no power to notify the whole municipal area of Warangal as the market yard and that, in so doing, they had ignored the distinction between “market”, “market yard” and “market proper”. It was also argued that the levy of the market committee presupposed the providing of godowns for storing of commodities brought into the market yard and since no godowns had been constructed by the market committee, the levy of fee on commodities stored in the private godowns of the petitioners was illegal. It was ruled by the High Court that reading together clauses (d), (e) and (f) of Rule 2 of the Hyderabad Agricultural Market Rules, it was clear that the Government was fully empowered to notify a given area as a “market yard” and the extent of the area is not delimited or circumscribed. As regards the second contention, the court ruled that it was not correct to say that the Market

Committee could not charge fees without providing godowns since the fees were leviable on "agricultural produce coming into the market yard for storage". The court pointed out that the antithesis was between "storage" and "immediate sale" and not between storage in godowns provided by the market committee and storage elsewhere. It was also pertinent, the court said, that the nature and quantum of the fees levied ruled out the idea of the fees being in the nature of rent for the use of godowns provided by the Market Committee.

11.7. Market cess : is it a tax or a levy ?—During the same year (1960), the constitutional validity of the Orissa Agricultural Produce Markets Act, 1956, and the Rules framed thereunder, was challenged in the Orissa High Court. It was contended that the Rules framed were quite repugnant to Art. 301 of the Constitution and that section 12 which confers on the market committee an unlimited and uncontrolled discretion to grant or refuse licences was void. Another contention was that the market fee as contemplated under Rule 48 of the Orissa Agricultural Produce Markets Rules, 1958, was in the nature of a tax and not a fee. The petitioner sought to rely upon the decision of the Mysore High Court wherein it was ruled that there being no *quid pro quo* for the produce that had been purchased outside Raichur and brought for the purpose of consumption, the fees levied thereon were unjustifiable and without jurisdiction. The Orissa High Court, however, held that since (sub-rule 4 of the Orissa Act says that the seller who is himself the producer of the agricultural produce offered for sale and the buyer who buys such produce for his own private and/or household use shall be exempted from payment of any fees under this Rule) necessary safeguards have been provided in the Orissa Act in respect of the fees collected, the ruling on the Mysore case could not be attributed to the present case. In the result, the petitions were dismissed with costs.

11.8. Responsibility of a market committee to provide amenities in a new yard.—In 1961, a batch of writ petitions were filed in the High Court of Mysore at Bangalore, challenging the provisions of the Mysore Agricultural Produce Markets Rules, 1947, and also the Bye-laws of the Tiptur Agricultural Produce Markets Committee. When a new yard was developed, the traders were required to move into this place for their transactions. The contention of the traders was that the market committee could not insist on their transacting their business only in the market yard. It was also urged

that although a market had been established under section 4 and a market committee had been constituted under section 5, there was no market yard established or created in which alone the petitioners could be required to buy or purchase the declared agricultural produce. It was argued on their behalf that a market yard can be said to be properly established under the Act only if and when the market committee set apart a market yard with all the facilities and amenities which they were bound to provide to the businessmen of Tiptur town. It was also argued that the construction of buildings for storing agricultural produce was the duty and responsibility of the market committee. The court ruled that there was nothing in the Act, Rule or Bye-law to lend support to the contention that every market yard set apart by a market committee for sale and purchase of agricultural produce must in the first instance be complete with all facilities and amenities before it could be called a market yard and before obedience to section 17 of the Act could be insisted upon. In the opinion of the court it was expected of the market committee under Rule 53 and Bye-law 31 to allot a site to any trader who wished to have one so that he might construct his own building for storage facilities and register that building under the provisions of Bye-law 31 as a place where he might store his produce. It was also held that to throw the responsibility of constructing godowns on the market committee would be an unreasonable and heavy burden. All the writ petitions were, therefore, dismissed.

11.9. Powers of a market committee to license traders in a "market" and a "market area".—In 1964, a writ petition was filed in the High Court at Patna by a number of traders and merchants challenging the provisions of the Bihar Agricultural Produce Markets Act. The main contentions of the petitioners were that the notification of the State Government declaring the market area under section 4 of the Act was illegal; that the market committee had no lawful authority to levy and collect the market fees on the agricultural produce brought in the market area; that section 4 of the Bihar Act was invalid as it imposed restrictions on the traders and that the market committee could not issue licences under Rule 71 unless a market had been previously established. The High Court rejected all the contentions of the petitioners except the last one. As regards the last contention, the court held Rule 71 *ultra vires* for two reasons. In the first instance, it was observed by the court the Market Committee had the power to issue licences under section 18(ii)

of the Act only after a market had been established under section 18(i). It was also observed by the court that under section 18(ii) of the Act, the market committee had powers to issue licences to traders, etc., operating in the "market" and not in the "market area". The High Court ordered the market committee not to enforce the provisions of Rule 71 against the petitioners till a "market" was properly established in law for the market area and till the rule was amended so as to bring it in conformity with section 18(ii) of the Act.

11.10. One market committee could function for more than one commodity.—The Madras Agricultural Produce Markets Act, 1959, came into force in October 1962, repealing the Madras Commercial Crops Act, 1933. With the coming into force of the new Act, the North Arcot Market Committee at Vellore asked some dealers of jaggery to take out a licence for trading in sugarcane jaggery on payment of the prescribed fee. Thereupon, the merchants appealed to the Madras High Court impugning the validity of the Madras Agricultural Produce Markets Act, 1959. It was argued on behalf of the merchants that the repealed Act of 1959 was primarily intended to apply to agricultural produce and not to manufactured products like jaggery; that the market committee, which was in existence when the repealed Act of 1959 was passed, was established for groundnuts and therefore it could not be deemed to have been validly constituted for jaggery; and that no separate notification of intention under section 3 of the 1959 Act to control the marketing of sugarcane jaggery was issued.

The court ruled that the definition of the word "agricultural produce" included not only anything produced in the course of agriculture but also all other produce—whether processed or unprocessed—declared to be an "agricultural produce" for the purpose of the Act. The court also ruled that a market committee which was established to regulate the marketing of one particular produce grown or produced in that area could also function for one or more agricultural produce grown or produced in respect of that entire notified area. As regards the last contention, however, it was held by the court that the declaration of a notified area made under section 4 of the new Act was not preceded by the requisite statutory declaration of intention. For this reason, the court held the notification invalid and declared everything done in pursuance of that notification void.

Once again, in October 1966, some paddy merchants of Vellore raised in the Madras High Court the constitutional validity of the Madras Agricultural Produce Markets Act, 1959. They contended that the Act violated the freedom of trade guaranteed under Art. 19(1)(g) and 301 of the Constitution ; that there should be a separate Market Committee for each of the notified produce ; and that the levy of cess which was actually a tax by the market committee is an imposition on the traders. The court ruled that the purpose of the Madras Act was not to put any restraint upon the trade in any manner but to regulate it in order to ensure facilities for the trade and as such it was not in any way inconsistent with the freedom declared by Art. 301. The court also held that if there were several notified agricultural produce for each of which the notified area was the same (which is permissible under secs. 3 and 4) then the same market committee for the same notified area can also function and have control in respect of every one of such notified agricultural produce. The last contention of the petitioners that the levy of cess was an imposition on the traders was also not accepted by the court. It was pointed out that explanation 1 under sub-sec. (1) provided that "all notified agricultural produce taken out or proposed to be taken out of a notified market area shall, *unless the contrary is proved*, be presumed to be bought or sold within such area". The court ruled that it was always open to the party to show that a notified agricultural produce taken out or to be taken out in a notified market area was not the subject matter of any purchase and sale within the notified area. In the result, all the petitions were dismissed, but without costs.

CHAPTER XII

SUMMARY AND CONCLUSIONS

The success of the regulated markets managed by the market committees is to be measured in terms of (i) the extent to which the checks imposed on the traders, commission agents and other market functionaries after regulation of markets have proved of real value to the producer-sellers; and (ii) the extent to which the handicaps that militated against growers in getting a fair return for their produce have been removed. This volume, therefore, reviews the actual working of the regulated markets with a view to assessing not only the success achieved in the enforcement of the Acts, Rules and Bye-laws but also to evaluate the benefits that have actually accrued to producer-sellers whose interest these Acts have sought to safeguard and protect.

Progress of regulation.—Most of the States and the Union Territories in India have enacted Agricultural Produce Markets Acts. In West Bengal, the Market Regulation Act has recently been placed on the Statute book through a Presidential Order. The only States which do not yet have the necessary legislation for the establishment of regulated markets are Assam and Kerala. In the interest of providing better marketing facilities, it is necessary that these States also pass suitable legislation as early as possible.

It is reckoned that there are about 3,400 major and minor assembling markets in the Indian Union. Out of these, about 2,500 markets including those for fruits and vegetables and cattle are considered major markets which could be brought within the purview of regulation. Of the above markets, 1,855 markets—major and minor—have been regulated upto the end of June 1968. The pace of regulation needs to be accelerated in those States that have passed the Act but where a large number of markets still remain to be regulated. Amongst such States, mention may be made of Uttar Pradesh, Bihar and West Bengal.

Commodities notified and market arrivals.—The number and types of commodities notified under various Acts differ from State to State. These range from a minimum of 1 com-

modity in Tamil Nadu to 76 in the markets in the Punjab. It is necessary that in States where the coverage of the commodities in the regulated markets is limited, expeditious steps are taken to extend the scope of the Act to all the important commodities bought and sold in the market area. The extension of the Markets Acts to special commodities like livestock and livestock products, fruits and vegetables needs special attention.

A survey conducted in 1962 revealed that approximately 30 per cent of the total marketable surplus of all the commodities—whether notified or not—pass through the regulated markets in the different States. There is, however, wide variation from State to State in the ratio of arrivals in regulated markets to the marketable surplus. While in Tamil Nadu and Madhya Pradesh hardly 10 per cent of the marketable surplus is handled in the regulated markets, nearly two-thirds is channelled through regulated markets in the Punjab.

A study of the quantum of annual arrivals in 530 selected regulated markets revealed that in nearly 50 per cent of the reporting markets, the volume of produce handled was less than 10 thousand tonnes. About 25 per cent of the markets handled produce between 10 and 20 thousand tonnes, another 10 per cent handled between 20 and 30 thousand tonnes. Markets handling 30 thousand tonnes and above accounted for 15 per cent of the reporting markets. As regards the value of produce handled annually, the value did not exceed 2.5 million rupees in 31 per cent of the markets. Another 32 per cent of the markets handled produce worth 2.5 to 10.0 million rupees. Only 10 per cent of the reporting markets handled produce worth 30 million rupees and above.

The principal agencies involved in the assembling of farm produce are growers, traders, co-operative societies and other miscellaneous agencies comprising itinerant dealers, village merchants, shopkeepers, etc. A study of the percentage share of various agencies in assembling of produce in selected regulated markets indicated that a major portion of the arrivals in regulated markets was assembled by producers themselves. It also indicated that the share of producers and co-operatives had progressively increased. Due to monopoly procurement, especially of foodgrains by co-operatives in some States, the share of co-operatives in assembling had increased significantly. The village merchants played a very prominent role in assembling of the notified

commodities. As much as 60 per cent of the produce was brought for sale to the markets by these agencies. Prior to regulation, growers hesitated to bring their produce to these markets and preferred to sell in the villages, for fear of falling victims to ingenious trade practices. With the enforcement of the Markets Acts, the growers are now alive to the fact that their interests have been amply safeguarded, assured as they are of correct weightment, competitive prices and prompt payment. While this by itself is no doubt a notable achievement, there is still vast scope for improvement, since 30 per cent of the produce is still assembled by the traders. The State Marketing Departments should investigate into the factors which come in the way of greater participation of the producers in the assembling of the produce and undertake appropriate remedial measures.

Notified market area and market yards.—All the Agricultural Produce Markets Acts provide for the declaration of the market area which is also known as “notified area” under some Acts. The underlying principle of the “market area” is to define the jurisdiction over which the market committees could exercise control. In notifying a ‘market area’ due regard is paid to the hinterland from which the produce generally flows to the particular market. Three distinct patterns of “market area” have emerged, viz., (i) a whole district, (ii) a tehsil, and (iii) the municipal limits. For instance, under the Madras Agricultural Produce Markets Act of 1959 or the Madras Commercial Crops Act presently in force in the Andhra area of Andhra Pradesh and in Calicut district of Kerala, the whole district is declared as the ‘market area’ with a number of markets set up in the district under the control of one market committee. In Maharashtra, Gujarat and Orissa, the market area is generally restricted to the revenue limits of a taluka. There are, however, a few market committees in these States, whose jurisdiction sometimes extends to two talukas. Under the other State Acts, the market area or notified area over which the market committees exercise jurisdiction is limited either to the municipal town limits or to a radius of a few miles from the marketing centre. A consideration of the merits and demerits of each of the above patterns indicates that it would be better if the limits of market area are restricted to one taluka or an equivalent administrative unit to enable the market committees to exercise effective control and supervision over various market activities and at the same time making such committees economically viable units. The object of the Markets Acts is to regulate the purchase and

sale of agricultural produce and to establish markets and market yards for the purpose. Without centralised market yards it is well nigh impossible for any market committee to extend proper supervision over the multifarious transactions involved in the marketing process. Quite a large number of markets continue in the same old place with business premises scattered all over the town. The market committees in such markets find it extremely difficult to exercise effective control and check over commission agents, traders, weighmen, etc. While a fairly large number of market committees have established centralised market yards, there are still a number of them which have been unable to shift from old sites to some centralised market yard either for want of funds required for acquisition of new sites, or due to non-availability of suitable sites. Even where both finances and suitable sites have been available, the trade has resisted the move of market committees to shift to new market yards by resorting to strikes and proceedings in courts. It is suggested that (1) the State Governments should, of their own accord, take upon themselves all initiative in acquiring suitable sites for locating centralised market yards, (2) wherever Government lands are available, such lands should be given to market committees waiving the allineation charges, conversion charges, tool and establishment charges, etc., and these concessions should also be given even in respect of lands otherwise acquired, and (3) long-term loans at concessional rates of interest should be advanced to market committees.

Where the market committees have been fortunate in having centralised market yards, there again some yards have not been well laid out. While planning a centralised market yard, it is desirable to provide for structures, buildings and other facilities so as to ensure orderly and efficient movement of goods. The Indian Standards Institution has laid down type designs for markets of various classes and categories for different commodities like tobacco, fruits and vegetables, multi-commodity markets and cattle markets and it is desirable that these standard designs are adopted in planning centralised market yards by various market committees.

A large number of market committees have market yards but the ownership of such yards in many cases does not vest in the market committees. They are mostly lessee and pay a mutually agreed rent. About two-fifths of the yards are owned by local bodies and another one-fifth by

private bodies. Ownership of 20 per cent of the market yards also vests with the State Governments. Under these conditions the market committees have been reluctant to invest any money in developing such yards. The State Governments should impress upon the local and private bodies to come to some amicable settlement with these market committees so that the market committees could provide necessary amenities in these market yards.

Administration of Markets Acts.—A market committee is the legal authority in charge of the management of the market, but the main brunt in the enforcement of the legal provisions and in the achievement of the objective thereof is borne by the administrative authority appointed by the respective Governments. It is this authority that is competent to notify the market area and commodities to be regulated in any market, to constitute market committees and sanction their bye-laws and annual budgets. In short, the market committees have to manage their markets and exercise their powers subject to general supervision by the administrative authority.

The administration of the Markets Acts has been vested with different departments in different States. For instance, in Mysore, Maharashtra and Gujarat States, the administration of the Act has been entrusted with the co-operative department while in others, the Directors of Agriculture are entrusted with the administration of the Act. Andhra Pradesh is the only State where an independent Marketing Department has been functioning since 1961. In Punjab, the Marketing Board administers the Markets Act. In view of the highly specialised type of work connected with agricultural marketing and the expanded programme for development of markets in the States, creation of independent Marketing Departments in the States will be a useful step.

For the proper co-ordination in the administrative spheres, creation of advisory committees comprising various interests involved in the regulated markets at the regional level is recommended. Such advisory committees will not only provide liaison between the market committees and the administrative authority but will also be in a position to give their considered and unfettered opinion for the welfare and promotion of regulated markets in the States as a whole.

Market committees.—The Market Committee is the pivot of the whole mechanism designed to improve the conditions of agricultural produce markets. It is, therefore, necessary that market committees, which are corporate bodies,

should comprise members representing various interests involved in sale and purchase of produce. The total number of members constituting a market committee and its composition is very important. The total strength of every market committee should, therefore, be such as to accommodate various interests to make it fully representative. In fixing the strength of a market committee, the volume of arrivals besides other factors needs to be considered. It would be more advantageous if the State Acts are flexible as regards the exact strength of the market committee. The Acts may only prescribe the minimum and maximum number of members constituting a market committee, leaving the actual number for each market area to be decided on merits by the administering authority.

The principal interests involved in the working of regulated markets are those of the buyers and sellers, though municipal and other local bodies also have a certain amount of interest. If the interests of the growers are to be safeguarded, the growers' representatives on any market committee should not be less than 50% of the total strength. The number of seats allotted to the traders may not exceed 25 per cent and the remaining seats may be allocated between co-operative marketing societies licensed with the market committee, municipal or local bodies in whose jurisdiction the market is located, and Government nominees. Wherever the State or the Central Warehousing Corporations have set up warehouses in regulated markets, representation may also be given to these institutions.

The office of the Chairman of the market committee is of paramount importance as the responsibility for laying down the general policy and giving proper guidance in the management of the market lies with him. The Chairman is also the Chief Executive Officer of the market committee, excepting in the case of markets established under the Madras Commercial Crops Act where the executive powers have been vested with the Secretary. Under all other State Acts, it is the duty of the Chairman to control and direct the activities of market committees and to see that the rules and bye-laws are properly enforced and not disregarded or abused, and the resolutions of the market committee are properly implemented. Generally, under all the Markets Acts in force there is a provision for the Chairman being elected (except in Orissa where the Chairman is nominated by the Government) by the market committee from amongst the members constituting the market committee. Govern-

ment employees and Government nominees on the committee are also eligible to vote and stand for election. Since official influence is not always conducive to the healthy growth of an institution which is to function on a democratic pattern, it is suggested that Government officials or Government nominees may not offer themselves for election, though in the initial stages the committee may have a Government official as a Chairman to put the market on a firm footing.

For the performance of the day-to-day functions, every market committee maintains its own establishment. This generally includes a Market Secretary or a Superintendent, Market Inspectors, *kamgars*, clerks and peons. The creation and filling of various posts is generally left to the market committees with the Government exercising only nominal control and supervision. As a result, in quite a large number of cases the market secretaries have been entangled in local politics, undermining the efficient working of the markets.

With a view to eliminating such trends, the Market Secretaries should have security of service and also chances of promotion to higher grades. A special cadre of Market Secretaries and other technical staff may be created by the State Marketing Department, treating all such employees as Government servants. In regard to other subordinate staff, a pool of such staff may be maintained by the State Marketing Department and the market committees may be directed to select candidates for appointment from this pool only. The appointees should be liable to transfer from one market to another market in the district or region at the instance of the appropriate authority appointed by the Government.

Market functionaries.—In the existing marketing set-up several market functionaries intervene between the producer and the ultimate consumer rendering important services to both. For the marketing of his produce, the producer often has to engage an intermediary, such as a commission agent or a broker, who undertakes to settle sale transactions with the buyer on his behalf. Another equally important functionary in the marketing chain is the trader who purchases for future sales at profit. Such a buyer may also act as a commission agent for other traders in different consuming markets. In addition to these two principal functionaries, there are others like weighmen, *hamals*, warehousemen, truckmen, etc., who render productive service in the course of the transfer of the produce from the farmer to the ultimate buyer. In fact, the success of market regulation depends by and large

upon their honesty, outlook, co-operation and understanding. It was in this context and with a view to eradicating the mal-practice with which the agricultural produce markets were impregnated, that certain conditions had to be imposed on these market functionaries operating in regulated markets.

A study of the various types of market functionaries operating in regulated markets has shown that their number does not bear any rational relationship to the actual volume of arrivals. No doubt the market committees have to keep in mind the income derived from licence fees but they should at the same time see that their number is not unduly large which may not be conducive to orderly marketing.

Licensing of various market functionaries referred to earlier as the chief means of enforcing various regulatory provisions is an important feature of regulated markets. It is therefore high time that the role of various market functionaries is re-examined to find out the extent to which their services are really necessary in the marketing process and also to ascertain whether the various charges paid by sellers and buyers are commensurate with the services rendered. The administrative authorities need to give some thought to this problem, while approving the bye-laws of market committees.

Methods of business.—The first and the foremost function of any market committee is to see that the agricultural produce brought for sale to the market yard is sold under competitive conditions. The bye-laws of market committees specifically prescribe the method and manner in which the sale of the produce shall take place in the market. The sale is a contractual transaction in which display is made on behalf of the seller by laying heaps or exhibiting carts or small samples of different commodities which are intended to be sold. The buyers offer bids and such bids continue till the maximum price is reached. The seller then decides whether to part with his produce or to withhold the same for better price at some future date. If the highest bid is accepted by the seller, the transaction is put through. Sales commence at an appointed hour and are completed within the time specified in the bye-laws. Although the seller is free to sell his produce in the market directly to the buyer, yet in actual practice he does so through the commission agent. Facilities have generally not been provided in market yards to enable sellers to make direct approach to the prospective buyers.

A number of systems of sale are in vogue in different markets. Even in the same market different systems of sale may be adopted for different commodities. The systems of sale followed are : (1) open auction system, (2) *hatta* system (sale under cover), (3) *hatta-cum-open* auction system, (4) *fardi* system, (5) open agreement system, (6) closed bid or chit tender system, and (7) sale by sample. But, by and large, open auction system is followed by a large number of market committees.

These market committees, in order to see that all arrivals of the day are disposed of on the same day, have provided for open negotiation after auction hours, should any cultivator desire not to wait for auctions on the following day. All such sales are required to be reported to the market committees.

Sale of agricultural produce by tender system is more common in the markets of the Southern States. The tender system, however, has its own limitations and can usefully be adopted by market committees which have to handle only one or two commodities and also have facilities for bulking and grading of goods before sale. The best system would be to provide auction halls in market yards and to conduct sales on the basis of recognised grades.

The bye-laws of almost all the market committees prescribe that commission agents through whom the produce is sold, must pay to the seller the sale proceeds on the same day though such commission agents may realise money from the buyers after some time, depending upon the convention of that particular market. For this reason, commission agents are sometimes found to be more loyal to the buyers than sellers. Market Committees should endeavour to provide facilities for direct sales between the producer-sellers and the buyers. By this direct approach, the producer-seller would save commission charges. This, however, would require the market committees to provide short-term storage facilities in the market yards for storing the producers' produce until it is disposed of. The State Government may make necessary finance available for the construction of godowns in market yards. Till this is done, the market committees should, at least, arrange for auctions through their own employees or appoint special auctioneers for this purpose. The Market Committees should also take prompt steps to ensure that the sale slips are promptly submitted by the commission agents to the market committees and that these are properly scrutinised by appropriate officials.

In most of the markets it is not always possible to dispose of the day's arrivals on that very day. Goods have, therefore, to be deposited with the commission agents. In such cases the commission agent has to issue a deposit receipt in favour of the depositor. This responsibility is often shirked by the commission agents. The market committees should see that the deposit receipts are invariably issued. While it is true that weighment is done by licensed weighmen, in quite a large number of markets they work with the same commission agent over long periods. Such freedom provides them with an opportunity to work hand in glove with commission agents and buyers to the detriment of the producer-sellers. The market committee should see that the weighmen work in rotation and under strict supervision to ensure impartial weighment.

As regards the place of weighment the market committees should see that weighment is done in the market yard instead of at the buyer's premises which is presently being permitted by some of the market committees.

Market charges.—One of the main reasons why the producer's share in the consumer's price has been low is the multiplicity of market charges and their heavy incidence on the producer-seller. In the absence of any statutory regulation in the past, these charges were never defined nor based on service considerations and were received either in cash or in kind or often in both. These had no sanctions behind them except the usages or customs prevailing in different markets and were always interpreted in favour of the traders and other functionaries to the detriment of the producer-sellers. These were levied under a variety of names in different markets. It was against this background of numerous and heavy market charges that the sponsors of the Agricultural Produce Markets Acts provided for the determination of essential services and for the fixation of reasonable remuneration to each of the functionaries in regulated markets. The market committees in all the States have, therefore, allowed only those functionaries whose services are absolutely necessary to operate in their markets and have also fixed scales of their remuneration. In consequence, the high incidence of marketing charges borne by the producer-sellers in the pre-regulation period has been reduced to a considerable extent. The more urgent question now is whether the present charges are adequate and who should bear these.

At present in some of the States, both the market fee and market charges are collected from the sellers while in others these are collected from the buyers. There are two views about this. One view is that since the seller enjoys a lot of facilities in the regulated markets and since adequate representation has also been given to the growers on the market committee, the market cess should justifiably be collected from the sellers. The other view is that both market fee and market charges should be collected from the buyers who are in a position to shift a portion of these charges on subsequent purchasers and thereby bring some relief in marketing costs to the sellers. There is also a third view that the market fee should be collected from the seller and the buyer on 50 : 50 basis and that the charges like handling and weighing should be collected from the buyer. The market charges now collected on unit weight basis in some markets were fixed long ago and as such are not realistic, viewed against the present day high prices of agricultural commodities. It will be useful for the State Governments to investigate how far these market charges require to be adjusted, keeping in view the present day conditions.

Finances of Market Committees.—In the matter of finances, the market committees are expected to be self-supporting institutions. Their main sources of revenue are market cess levied on agricultural produce bought and/or sold in the notified market area and licence fees collected from various market functionaries, viz., commission agents, traders or dealers, weighmen, etc., licensed to operate in the market. Besides the above two major sources of revenue, some minor items like grants-in-aid, interest on investment, rent of the plots or stalls, fines imposed by the Courts due to violation of Acts and Rules, etc., also to some extent add to the income of market committees. The income of individual market committees, however, depends on the volume of arrivals of agricultural produce, number of licensees operating in the market and the rate of fees prescribed for different classes of market functionaries. There are, on the one hand, market committees whose annual income does not exceed Rs. 900 or so, while there are others whose annual income is as high as Rs. 3.5 lakhs or even more. While these are the two extremes, the average annual income based on the study made during 1964-65 worked out to Rs. 56,530 per annum. Of this income, 15.6 per cent came from licence fees, 67.7 per cent from market cess and the remaining 16.7 per cent from miscellaneous sources mentioned above. Gujarat and Tamil

Nadu are the only States where the income of the market committees from licence fees exceeds that from market cess. In Maharashtra also, before the amendment of the Rules in 1963, when no maximum limit was prescribed for the levy of licence fees by the individual market committees, licence fees constituted the major source of income. The loss in income from licence fees as a result of prescribing the maximum, however, has been more than offset by an increase in the income from market fee due to its levy on *ad valorem* basis. In the rest of the States, revenue of market committees from market cess is invariably more than that realised from licence fees.

On the expenditure side the study indicated that the market committees spent on an average 46.7 per cent of their total income on establishment, 16.9 per cent on contingencies and 36.4 per cent on miscellaneous items including expenditure on works of capital nature. Some of the market committees have, however, built reserve funds where there has been surplus of income over expenditure. Thus, establishment and miscellaneous charges alone accounted for 85.3 per cent of the total expenditure, leaving a very little amount for spending on the developmental activities. In order to provide adequate funds for the development of market yards, construction of auction halls, and providing other basic amenities, the market committees should find out ways and means to meet this important charge on their finances. This may be done by fully exploiting the existing sources of revenue, and by eliminating unproductive and unwarranted expenditure. The market committees which have not yet changed over to levying market fees on *ad valorem* basis may do so to augment their resources. The possibility of increasing the income of the market committees through increase in licence fees has also to be considered. It has been observed that there is a great variation in the rates of licence fees prescribed under the various State Acts and/or Rules for different classes of traders and functionaries. Since the licence fees now in force in many States were fixed under the State Acts and the Rules framed many years back when the prices of agricultural produce were not so high as they are today, there is a case for revising these fees. In this context, the judgments given by the Courts of Law directing that the licence fees should be nominal and the market committees should not treat this as their main source of income is also to be kept in view. It is further suggested that where the municipal bodies are recovering toll and octroi taxes on agricultural

produce brought for sale in market yards within the municipal limits, the State Governments may use their good offices to persuade such local bodies to contribute some share of income derived from these taxes for the development of market yards. Some of the market committees are presently collecting market cess/fee at lesser rates than the maximum prescribed under the concerned Act/Rules. With a view to increasing their financial position, the market committees may consider the possibility of enhancing the rate of market cess/fee upto the maximum permitted under the Act. The State Governments may also persuade financing institutions like commercial banks, Agricultural Refinance Corporations, etc., to advance loans to the market committees, for their developmental activities, the State Governments standing as sureties for the repayment of the loans with interest.

Developmental activities.—The ultimate object of the Markets Acts is to enable the producer-seller to get the maximum possible value for his produce by creating competitive conditions in the market by providing amenities for the efficient disposal of the produce. A random survey conducted regarding the amenities provided by regulated markets towards the end of the Second Plan showed that the kind and quantum of facilities provided were not satisfactory. For instance, auction platforms were provided only in 47·1 per cent of the regulated markets studied. Again, only 36·6 per cent of the markets had *pucca* roads. Every market committee should draw up a phased programme of providing amenities in the markets. Finance for this programme should be readily forthcoming from the State Governments by way of both loans and subsidies.

The market committees should also widen the scope of their activities by taking upon themselves the responsibility of organising market news service and grading service, providing short-term storage facilities, etc. It will also be useful if the market committees undertake periodic inspection of the godowns within the market and provide facilities for fumigation/dusting of the stored produce at nominal rates. There is also need for a greater measure of co-ordination and co-operation between the regulated markets and marketing co-operatives.

APPENDIX I

Agricultural Produce Markets Acts in force in various States as on 31-3-1967

<i>State</i>	<i>Act in force</i>
1. Andhra Pradesh	The Andhra Pradesh (Agricultural Produce & Livestock) Markets Act, 1966.
2. Bihar	The Bihar Agricultural Produce Markets Act, 1960.
3. Gujarat	The Gujarat Agricultural Produce Markets Act, 1962.
4. Kerala	The Madras Commercial Crops Markets Act, 1933 (in Malabar District only).
5. Madhya Pradesh	The Madhya Pradesh Agricultural Produce Markets Act, 1960.
6. Madras	The Madras Agricultural Produce Markets Act, 1959.
7. Mysore	The Mysore Agricultural Produce Marketing (Regulation) Act, 1966.
8. Maharashtra	The Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963.
9. Orissa	The Orissa Agricultural Produce Markets Act, 1956.
10. Punjab	The Punjab Agricultural Produce Markets Act, 1961.
11. Rajasthan	The Rajasthan Agricultural Produce Markets Act, 1961.
12. Uttar Pradesh	Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964.

APPENDIX I—*contd.*

<i>Union Territory</i>	<i>Act in force</i>
Delhi and Tripura	These Union Territories have adopted the Bombay Agricultural Produce Markets Act, 1939, and have extended its provisions to their respective areas.
Himachal Pradesh	The PEPSU Act (Act No. 14 of 2004 B.K.) has been adopted (Ministry of Home Affairs Notification dated 8-11-1960). The Punjab Agricultural Produce Markets Act, 1961, in the areas which formerly constituted part of Punjab State.
Manipur	The Bihar Agricultural Produce Markets Act, 1961, has been adopted.



APPENDIX II

Progress in regulation of markets in different States (principal market yards and sub-market yards)

State	Number of principal market yards regulated							Sub-yards regulated		Total number of markets regulated (principal and sub-yards) up to March 1968
	Prior to 1939	Up to 1940	Up to 1945	Up to 1950	Up to end of I Plan (March 1956)	Up to end of II Plan (March 1961)	Up to end of III Plan (March 1966)	Up to end of March 1968	Up to end of March 1968	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Andhra Pradesh	6	10	13	35	62	86	116	116	7	123
Bihar . . . . .	..	..	..	..	..	..	45	60	81	141
Gujarat . . . . .	..	..	..	..	..	..	98	115	94	209
Maharashtra	45	52	67	121	168	280	237	241	105	346
Kerala . . . . .	..	..	..	1	1	4	4	5	..	5
Madhya Pradesh . . . . .	..	..	2	3	59	86	132	146	16	162
Madras	3	11	11	11	19	37	81	89	..	89

APPENDIX II—contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Mysore	.	.	3	5	8	23	47	72	89	89	66	155
Orissa	15	22	30	19	49
Punjab	45	92	114	132	136	86	157	243
Haryana	59	91	150
Chandigarh	1	1	2
Rajasthan	47	87	44	131
Uttar Pradesh	1	29	17	46
Delhi	3	3	3	..	3
Tripura	1	1	..	1
TOTAL	.	57	78	146	286	470	715	1,012	1,157	698	1,855	

APPENDIX III

Location of principal market yards and sub-yards in different districts of the various States

(As on 31-3-1968)

District	Principal market yards	Sub-market yards
(1)	(2)	(3)
I. Andhra Pradesh		
1. Hyderabad . . .	1. Tandur 2. Vikarabad 3. Hyderabad 4. Narsinghi 5. Shankarpalle	1. Secunderabad 2. Chandrayyan-gutta. 3. Yerragadda
2. Medak . . .	6. Jogipet 7. Medak 8. Sadashivpet 9. Siddipet 10. Zahirabad 11. Narayana Khed	4. Kandi
3. Mahboobnagar . .	12. Badepalli 13. Gadwal 14. Kollapur 15. Kosigi 16. Maktal 17. Mahboobnagar 18. Nagar Kurnool 19. Narayanpet 20. Shadnagar 21. Wanaparthi	5. Sardarnagar
4. Nizamabad . . .	22. Yellareddy 23. Bodhan 24. Kamareddi 25. Madnur	

APPENDIX III—contd.

(1)	(2)	(3)
<i>I. Andhra Pradesh—contd.</i>		
	26. Nizamabad	
	27. Armoor	
	28. Banswada	
5. Karimnagar . . .	29. Karimnagar	
	30. Jagtial	
	31. Koratla	
	32. Meipalle	
	33. Peddapalle	
	34. Vemulwada	6. Sircilla
	35. Jammikunta	7. Uppal
6. Warangal . . .	36. Ghanpūr	
	37. Jangaon	
	38. Mahububabad	
	39. Warangal	
	40. Alir	
	41. Kesamudram	
7. Adilabad . . .	42. Adilabad	
	43. Nirmal	
	44. Bhainsa	
	45. Mancherial	
	46. Chinnur	
	47. Asifabad	
	48. Boath	
	49. Hasnapur	
8. Khammam . . .	50. Khammam	
	51. Kothagudem	
	52. Madhira	
	53. Yellandu	
9. Nalgonda . . .	54. Chittiyal	
	55. Bhongir	
	56. Nakrukal	
	57. Miriyalguda	
	58. Suryapet	
	59. Kodad	

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>I. Andhra Pradesh—contd.</i>		
	60. Nalgonda	
	61. Devarkonda	
10. Srikakulam . .	62. Amadalavalasa	
11. Visakhapatnam . .	63. Anakapalle	
12. Krishna . .	64. Agiripalle	
	65. Gampalagudem	
	66. Jaggayapet	
	67. Mylavaram	
	68. Nuzuvid	
	69. Nandigama	
	70. Tiruvur	
	71. Vijayawada	
	72. Vissannapet	
13. Guntur . .	73. Addanki	
	74. Amravati	
	75. Chilakaluripet	
	76. Dachepalle	
	77. Duggirala	
	78. Guntur	
	79. Kuchinipudi	
	80. Krosur	
	81. Mangalagiri	
	82. Macherla	
	83. Manthavaripalem	
	84. Martur	
	85. Inkollu	
	86. Narasaraopet	
	87. Ongole	
	88. Piduguralla	
	89. Phirangipuram	
	90. Rentachintala	
	91. Santamaglur	
	92. Sattenapalli	
	93. Siripuram	
	94. Ravinuthala	


APPENDIX III—*contd.*

(1)	(2)	(3)
I. Andhra Pradesh—contd.		
	95. Tadikonda	
	96. Tenali	
	97. Uppugundur	
	98. Vinukonda	
	99. Repalle	
14. Anantapur . .	100. Guntakal	
	101. Tadpatri	
15. Kurnool . .	102. Kurnool	
	103. Adoni	
	104. Yemiganur	
	105. Nandyal	
16. Cuddapah . .	106. Proddatur	
17. Chittoor . .	107. Chittoor	
	108. Pakala	
	109. Palmaner	
	110. Piler	
18. East Godavari . .	111. Ambajipeta	
	112. Gummaluru	
	113. Kothapeta	
	114. Mukteswaram	
	115. Raghudevapuram	
	116. Tatipaka	
II. Bihar		
1. Bhagalpur . .	1. Nangachia	
	2. Bhagalpur	1. Nathnagar
		2. Aliganj
		3. Sujaganj
		4. Premises of K.K. Oil Mills and Panna Oil Mills.
	3. Kohalgaon	

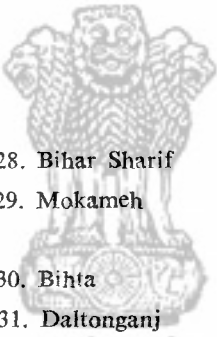
APPENDIX III—*contd.*

(1)	(2)	(3)
	II. Bihar— <i>contd.</i>	
2. Champaran		
	4. Bettiah	5. Certain localities within Ganj No. 2, Mohalla Ward No. B, of Bettiah.
		6. Certain localities within Bettiah Municipality.
		7. Premises of M/s. Ganesh P. Behari Pd.
		8. Premises of M/s. Rikki Ram Ram Narain.
	5. Motihari	
	6. Chakia	9. Village Pipra
3. Darbhanga	7. Dalsingsarai	10. Premises of Baidnath Rice Mills.
		11. Certain localities within Umar Chak village.
	8. Darbhanga	12. Rajendra Market in Laheria Sarai.
		13. Premises of Mahabir Rice and Oil Mills.
		14. Premises of New Thakur Ram Ganga Ram Rice and Oil Mills, Mirzapur.
	9. Jainagar	15. Premises of M/s. Bubna Rice Mills.
		16. Premises of Murarka Rice Mills.
		17. Premises of Ganesh Rice Mills.
	10. Samastipur	
	11. Rosera	
4. Gaya	12. Jahanabad	
	13. Gaya	18. Kedarnath Market
	14. Shergati	

APPENDIX III—*contd.*

(1)	(2)	(3)
5. Monghyr	II. Bihar— <i>contd.</i>	
6. Muzaffarpur	15. Begusarai	19. Chandwara
	16. Khagaria	20. Burhampur
	17. Lakhi Sarai	21. Amgola Aghoria Bazar.
	18. Monghyr	22. Sarai Said Ali
	19. Pupri	23. Sri Mahalakshmi Rice Mills premises.
	20. Bairgania	24. Sri Maheswari Rice Mills premises.
	21. Muzaffarpur	25. Sri Baghwan Rice Mills.
	22. Sitamarhi	26. Sri Late Chaurasia Rice Mills.
		27. Sri Chaurasia Rice Mills.
		28. Sri Ganesh Rice Mills.
		29. Sri Mahamaya Rice Mills.
7. Patna		30. Khaji Kalan
		31. Gulzar Bagh
		32. Anta Ghat
		33. Lodikatra with Chauk Shikarpur.
		34. Machua Toli
		35. Sabzi Bagh
		36. Lodipur
		37. Mithapur
		38. Chiranya taur
		39. Chitkohra
		40. Gulab Bagh


APPENDIX III—*contd.*

(1)	(2)	(3)
		
	II. Bihar— <i>contd.</i>	
	24. Patna City (Mansoor Ganj)	
	25. Dinapur	
	26. Barh	41. Mahalla comprising Dayach, Bajidpur and Station Bazar.
	27. Fatwah	42. Certain localities of the following villages: Khusrapur, Bhuski, Kasulpur, Chowk Chanda, Safipur, Mohitpur.
	28. Bihar Sharif	
	29. Mokameh	43. The locality known as Lakhanchan of Anta.
	30. Bihta	
8. Palamau	31. Daltonganj	
9. Dhanbad	32. Dhanbad (Jharia)	
10. Purnea	33. Araria	44. Madanpur Bazar
		45. Certain localities of the village Rahikotola, Kali Bazar, Basantpur.
	34. Banmanki	46. Chopra Bazar.
	35. Forbesganj	47. Localities of Wards Nos. 6, 7, 8 and 16 of Forbesganj Municipality.
		48. Gaurishankar Rice and Oil Mills.
		49. Shiv Vijay Rice and Oil Mills.
		50. Bagawati Rice and Oil Mills.
		51. Anjani Kumar Rice and Oil Mills.

APPENDIX III—contd.

(1)	(2)	(3)
II. Bihar—contd.		
		52. Certain localities of the following villages: Prababa and Bhagkahlia.
36. Kasba		53. Certain localities within Ghurdaur village.
		54. Certain localities within Jalalgarh and Harchandpur villages.
		55. M/s. Jalalgarh Rice and Oil Mills.
		56. Certain localities within Harchandpur village.
37. Katihar		57. Certain localities of Mirchibari mohalla.
38. Kishanganj		58. Certain localities within Kishanganj Municipality.
		59. Mohalla comprising Khagaria, Rindhara and Machmara.
		60. Mohalla comprising Ghornara, Pirni, Huddinpur villages.
	39. Purnea (Gulab Bagh)	
11. Ranchi	40. Ranchi	61. Daily market on the main road.
	41. Gumla	
12. Saran	42. Chapra	
	43. Maharajganj	
13. Sabarsa	44. Bihariganj	
	45. Muraliganj	
	46. Supaul	
	47. Nirmali	

APPENDIX III—*contd.*

(1)	(2)	(3)
II. Bihar —contd.		
14. Santhal Parganas .	48. Deoghar	
	49. Dumka	
	50. Sahibganj	
15. Singhbhum .	51. Chaibasa	
	52. Chakkulia	
	53. Jangsalai	
16. Hazaribagh .	54. Hazaribagh	
	55. Giridih	
17. Shahabad .	56. Arrah	62. Nawadah.
		
	57. Buxar	63. Certain localities within Anait village (I).
		64. Certain localities within Anait village (II).
		65. M/s. Ganesh Rice Mills.
		66. M/s. Bihar Mills.
		67. Arrah Cold Storage
		68. Shahabad Cold Storage.
		69. Janta Cold Storage.
		70. Certain localities within Misraulia village (I).
		71. Certain localities within Misraulia village (II).
	58. Mohania	
	59. Nokha	72. Certain localities within Bhaluahi village.
	60. Sasaram	Certain localities within the following villages :
		73. Baijla village.
		74. Kanserwa (I) village.

APPENDIX III—*contd.*

(1)	(2)	(3)
II. Bihar—contd.		
		75. Kanserwa (II) village.
		76. Mohalla Gaurakhshni.
		77. Mohalla Suleman-ganj.
		78. Mohalla Killa (I)
		79. Mohalla Killa (II)
		80. Gopal Oil Mills
		81. Krishna Murari Oil Mills.
III. Gujarat		
1. Ahmedabad . . .	1. Ahmedabad	1. Manek Chowk
	2. Dehgam	2. New Kheri Peth Market.
	3. Sanand	3. Rakhial
	4. Bavla	4. Dholka
		5. Koth
		6. Ranpur
	5. Dhanduka	7. Dholera
	6. Viramgam	8. Barvala
		9. Rampura
		10. Mandal
		11. Detroj
	7. Sanand (Tobacco)	
2. Amreli . . .	8. Amreli	
	9. Damnagar	
	10. Dhari	
	11. Kodinar	
	12. Lathi	
	13. Rajula	
	14. Liliya	
	15. Bagasara	
3. Banaskantha . . .	16. Bhabhar	12. Deodar
	17. Deesa	13. Bhildi

APPENDIX III—*contd.*

(1)	(2)	(3)
	III. Gujarat—contd.	
	18. Dhanera	
	19. Palampur	
	20. Radhanpur	
	21. Thara	
	22. Varahi (Santhalpur)	
4. Baroda . . .	23. Baroda	14. Mogalwada (Cattle)
	24. Karjan	15. Sinor
	25. Baroda (Tobacco)	
	26. Savli	16. Samlaya
		17. Sandhasal
		18. Desar Road
	27. Chho. andipur	
	28. Bodeli	19. Bhadarpur
		20. Jetpur
		21. Kaledia
	29. Dabhoi	22. Karvan
		23. Waghodia
	30. Padra	24. Mobra Road
		25. Masar Road
	31. Naswadi Tilakwada	26. Tankhala
5. Bavanagar . . .	32. Botad	
	33. Mahuva	
	34. Palitana	
	35. Savarkundla	
	36. Gadhda	
	37. Talaja	
	38. Bavanagar	
6. Broach . . .	39. Broach	27. Palej
	40. Jambusar	28. Kora
		29. Kavi
	41. Valia	
	42. Aankleshwar	30. Hansot
		31. Ilav
		32. Panoli

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>III. Gujarat—contd.</i>		
	43. Jhagadia	33. Ummala
	44. Rajpipla	
	45. Sagbara	
7. Jamnagar . . .	46. Kalawad	
	47. Jam Khambalia	
8. Junagadh . . .	48. Una	
9. Kaira . . .	49. Anand	34. Vasad
	50. Anand (Tobacco)	
	51. Balasinor	
	52. Borsad	35. Kathana
		36. Anklav
		37. Tarapur
	53. Cambay	38. Cambay (Cotton)
	54. Kapadwanj	39. Kathlal
	55. Matar	40. Limbasi
		41. Naika
	56. Mahmabad	42. Kaira
	57. Nadiad	43. Nadiad (F.& V.)
	58. Petlad	44. Nar
	59. Thasra	45. Dakor
		46. Sevalia
	60. Umreth	
10. Mehsana . . .	61. Harij	
	62. Channasma	47. Bechraji
		48. Dhinoj
	63. Kadi	
	64. Kalol	49. Randhija
	65. Mehsana	50. Ambaliasan
		51. Jotana
	66. Patan	52. Ranuj
		53. Patan (Cattle)
	67. Vijapur	54. Charada
		55. Garita
		56. Ladol

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>III. Gujarat—contd.</i>		
		57. Lodra
		58. Sardarpur
		59. Kukarwada
		60. Mansa
		61. Gozaria
		62. Vasai
	68. Sidhpur	
	69. Unjha	
	70. Vadnagar Kheralu	63. Kheralu
		64. Taranga
	71. Visnagar	65. Bhandu
11. Panch Mahals	72. Devgad baria	66. Piplod
		67. Ghoghamba
		68. Limkheda
		69. Dudhiya
	73. Derol	70. Vejalpur
	74. Dohad	
	75. Godhra	71. Timba
	76. Halol	
	77. Zalod	72. Limbdi
	78. Lunawada	
	79. Santrampur	73. Fatehpura
12. Rajkot	80. Gondal	
	81. Morvi	
	82. Rajkot	
	83. Wankaner	
13. Sabarkantha	84. Talod	74. Salal
	85. Bayad	75. Dehmai
	86. Dhansura	76. Modasa
	87. Himatnagar	77. Vaktapur
	88. Idar	78. Jadar
	89. Khedbrahma	
	90. Malpur	
	91. Meghraj	

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>III. Gujarat—contd.</i>		
14. Surat	92. Valod	
	93. Kosamba	79. Zakav
		80. Mangrol
		81. Umarpada
		82. Vaukal
	94. Mahuva	83. Anaval
		84. Karchelia
	95. Mandvi	
	96. Nizar	85. Uchhal
	97. Surat	86. Kukarwada
	98. Vyara	
		87. Balpur
		88. Songad
		89. Khodtalao
	99. Nawsari	90. Dolwan
15. Bulsar	100. Billimora	91. Amalsad
	101. Bulsar	92. Gandevi
	102. Chikhli	93. Dungai
	103. Bansda	94. Unai
	104. Pardi	
	105. Dharampur	
16. Surrendranagar	106. Limbdi	
	107. Dharangadhra	
	108. Chuda	
	109. Dasada	
	110. Chotila	
	111. Vadhavan	
17. Kutch	112. Bhuj	
	113. Anjar	
	114. Bhachau	
	115. Mandvi	

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>IV. Kerala</i>		
1. Palghat . .	1. Vattam Kulam	
2. Calicut . .	2. Othu Kingal	
	3. Perambra	
	4. Thalakatathur	
3. Cannanore . .	5. Kanhangad	
<i>V. Madhya Pradesh</i>		
1. Gwalior . .	1. Morar	
	2. Lashkar	
	3. Dabra	
	4. Bhandar	
2. Bhind . .	5. Bhind	
	6. Gohad	
	7. Mehgaon	
	8. Lahar	
	9. Mow	
3. Shivpuri . .	10. Shivpuri	
	11. Khaniyadana	
	12. Pichhore	1. Bhatnavar
	13. Pohari	
4. Ujjain . .	14. Ujjain	
	15. Nagda	
	16. Barnagar	
	17. Kharchraud	
	18. Tarana	
	19. Mahidpur	
5. Morena . .	20. Morena	
	21. Jora	
	22. Sabalgarh	

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>V. Madhya Pradesh—contd.</i>		
	23. Vijaipur	
	24. Sheopurkalan	
	25. Ambah	
	26. Kailrash	
	27. Baroda (Shivpur)	
6. Shajapur	28. Shajapur	
	29. Shujalpur	
	30. Akodia	
	31. Kalapipal	
	32. Agar	2. Badod
	33. Nalkheda	
	34. Berchha	
	35. Susner	
	36. Momanbadodia	
7. Dewas	37. Dewas	
	38. Sonkatch	3. Tonk Khurd
	39. Kannod	4. Bhaurosa
	40. Hat pipalya	
	41. Bagli	
	42. Khategaon	
8. Ratlam	43. Ratlam	
	44. Alote	
	45. Jaora	5. Badavada
	46. Tal	
9. Mandsaur	47. Mandsaur	6. Daloda
	48. Neemuch	
	49. Jawad	
	50. Manasa	
	51. Shyamgarh	
	52. Sitamau	
	53. Pipalya	7. Suwasara
	54. Bhanpura	
10. Guna	55. Guna	
	56. Ashoknagar	8. Shadora

APPENDIX III—*contd.*

(1)	(2)	(3)
	<i>V. Madhya Pradesh—contd.</i>	
	57. Mungaoli	
	58. Arone	
	59. Piprai	
	60. Binaganj	
	61. Khumbhraj	
	62. Ishagarh	
11. Vidisha . . .	63. Vidisha	
	64. Basoda	
	65. Kurwai	
	66. Gulabganj	
	67. Samshabad	
	68. Sironj	
12. Rajgarh . . .	69. Sarangpur	
	70. Biaora	
	71. Khilchipur	
	72. Pachore	
	73. Narasingarh	9. Kurwar
	74. Jirapura	10. Machalpur
	75. Khujner	
	76. Suthalia	
13. West Nimar. . .	77. Khargone	
	78. Sanawad	
	79. Barwaha	
	80. Senhdwa	
	81. Bhikangaon	
	82. Anjad	11. Ozhar
	83. Khetia	12. Pansamel
	84. Maheswar	
14. Indore . . .	85. Indore	13. Samyogitagunj
	86. Sawer	
	87. Gautampura	
15. Dhar . . .	88. Manawar	
	89. Rajgarh	
	90. Kukshi	

APPENDIX III—*contd.*

(1)	(2)	(3)
V. <i>Madhya Pradesh</i> —contd.		
	91. Badnawar	
	92. Dhamnode	14. Dharampuri
	93. Dhar	
16. Jhabua . . .	94. Alirajpur	
	95. Thandla	
	96. Petlawad	
17. Damoh . . .	97. Damoh.	
18. East Nimar . . .	98. Khandwa	
	99. Burhanpur	
	100. Harsud	
19. Sagar . . .	101. Sagar	
	102. Khurai	
	103. Bina	
	104. Bamora	
20. Sehore . . .	105. Ashta	
	106. Bhopal	
21. Raisen . . .	107. Obedullaganj	
22. Bastar . . .	108. Charama	
	109. Kondgaon	
	110. Gidam	
	111. Kanker	15. Sarona
	112. Jagadalpur	
23. Chindwara . . .	113. Chindwara	
	114. Pandhurna	
24. Datia . . .	115. Datia	

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>V. Madhya Pradesh—contd.</i>		
	122. Ghotegaon	
	123. Kareli	
28. Satna . . .	124. Satna	
29. Raipur . . .	125. Arang	
	126. Bagbahara	
	127. Balodabazar	
	128. Bhatapara	
	129. Kurud	
	130. Saraipalle	
	131. Mahasamund	
	132. Neora	
	133. Basna	
	134. Pithora	
	135. Raipur	
30. Tikamgarh . . .	136. Tikamgarh	
31. Sidhi . . .	137. Sidhi	
32. Shahdol . . .	138. Shahdol	
33. Betul . . .	139. Multai	
34. Rewa . . .	140. Rewa	16. Govindgarh
35. Balaghat . . .	141. Lalbaura	
	142. Waraseoni	
	143. Katangi	
	144. Khai langi	
36. Durg . . .	145. Durg	
37. Mandla . . .	146. Gorakhpur	
<i>VI. Tamil Nadu</i>		
1. Coimbatore . . .	1. Coimbatore	
	2. Andhiyur	
	3. Annur	
	4. Dharapuram	

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>VI. Tamil Nadu—contd.</i>		
	5. Erode	
	6. Gobichettipalayam	
	7. Palladam	
	8. Pollachi	
	9. Perundurai	
	10. Vellakoil	
	11. Puliampatti	
	12. Tiruppur	
	13. Udumalpet	
2. North Arcot	14. Arcot	
	15. Arni	
	16. Arkonam	
	17. Chetpet	
	18. Cheyyar	
	19. Changam	
	20. Gudiyatham	
	21. Tirupathur	
	22. Tiruvannamalai	
	23. Vaniyambadi	
	24. Vellore	
	25. Wandiwash	
3. Kanya Kumari	26. Ethomozhy	
4. Ramanathapuram	27. Aruppu Kottai	
	28. Kamudhi	
	29. Paramakudi	
	30. Rajapalayam	
	31. Ramanathapuram	
	32. Sattur	
	33. Singampuneri	
	34. Virudhunagar	
5. South Arcot	35. Chidambaram	
	36. Chinnasalem	
	37. Cuddalore	
	38. Gingee	

APPENDIX III—*contd.*

(1)	(2)	(3)
	<i>VI. Tamil Nadu—contd.</i>	
	39. Kalla Kurichi	
	40. Panruti	
	41. Kattumannarkoil	
	42. Sethiatope	
	43. Pennadam	
	44. Tindivanam	
	45. Tirukoilur	
	46. Ulundurpet	
	47. Villupuram	
	48. Valvanur	
	49. Vriuddachalam	
	50. Thittagudi	
6. Tanjavur . . .	51. Adirampatnam	
	52. Arantangi	
	53. Gandharwa kottai	
	54. Koradacheri	
	55. Kumbakonam	
	56. Kuttalam	
	57. Mannargudi	
	58. Muthupet	
	59. Pattukottai	
	60. Papanasam	
	61. Sirkali	
	62. Madhukur	
	63. Sembannarkoil	
	64. Peravurni	
	65. Tanjavur	
	66. Tiruvarur	
	67. Tiruthuraipundi	
	68. Orathanad	
7. Tirunelveli . . .	69. Kalugumalai	
	70. Kadambur	
	71. Koilpatti	
	72. Pudur	
	73. Sankaranainarkoil	

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>VI. Tamil Nadu—contd.</i>		
	74. Tenkasi	
	75. Tuticorin	
	76. Ambasamudram	
	77. Srivaikundam	
	78. Valliyoor	
	79. Tirunelveli	
8. Tiruchirapalli	80. Alangudi	
	81. Ariyalur	
	82. Jayamkondan	
	83. Karur	
	84. Keeranur	
	85. Manaparai	
	86. Andimadam	
	87. Thuraiyur	
	88. Kodumudi	
	89. Pudukkottai	
<i>VII. Maharashtra</i>		
1. Poona	1. Baramati	
	2. Khed	1. Chakan
	3. Manchar	
	4. Nira	2. Saswad
	5. Bhore	
	6. Shirur	3. Pabal
		4. Talegaon Dhamdare.
	7. Poona	
	8. Poona (F. & V)	
	9. Indapur	5. Nimgaon Khetki
		6. Bhaigawan
	10. Wadgaon Maval	
	11. Dhond	7. Khetgaon
		8. Yawat
		9. Narayangaon
		10. Belha
12. Junnar		11. Otur

APPENDIX III—*contd.*

(1)	(2)	(3)
VII. Maharashtra—contd.		
2. Satara . . .	13. Koregaon	12. Rahimatpur
		13. Wathar
		14. Kumthe
		15. Targaon
	14. Phaltan	16. Lonand
	15. Satara	17. Atit
		18. Vadath
		19. Wai
		20. Saral
		21. Buing
	16. Vaduj	
	17. Patan	
	18. Karad	22. Malnarpeth
		23. Masur
		24. Umraj
3. Sangli . . .	19. Sangli	25. Debewadi
		26. Miraj
	20. Takari	27. Jath
		28. Islampur
	21. Tasgaon	29. Shirala
	22. Vita Khanapur	30. Palas.
4. Kolhapur . . .	23. Kolhapur	31. Malkapur
	24. Gadhinglaj	32. Halkarni
		33. Ajra
	25. Jaysinghpur	34. Kurundwad
	26. Vadgaon	35. Ichalkarangi
		36. Yedashi
5. Sholapur . . .	27. Barshi	37. Kasbe Tadavle
		38. Vairag
	28. Karmala	39. Jeur
	29. Pandharpur	40. Karkhamba
		41. Bhalavni
	30. Mangalvedha	
	31. Akhuj	42. Natapute
	32. Kuruduwadi	43. Madha
		44. Modnimb
		45. Temburni
	33. Akalkot	46. Dudhani

APPENDIX III—contd.

(1)	(2)	(3)
VII. Maharashtra—contd.		
6. Ahmednagar	34. Mohol	
	35. Sholapur	
	36. Sangoia	
	37. Ahmednagar	
	38. Rahuri	47. Wambori
		48. Songaon
	39. Shrirampur	49. Belapur
	40. Kopargaon	
	41. Shevgaon	
	42. Sangamner	50. Akola
7. Dhulia	43. Shrigonda	
	44. Jamkhed	
	45. Pathardi	
	46. Newasa	
	47. Dhulia	51. Shirud
	48. Shirpur	52. Holnantha
	49. Nandurbar	53. Dhanore
	50. Dondaicha	54. Nardhana
		55. Sindkheda
	51. Shahada	56. Betawad
8. Nasik		57. Mandane
	52. Nawapur	58. Prakashe
		59. Sarangkheda
	53. Sakri	60. Chinchpada
	54. Taloda	61. Khandbare
		62. Visarwadi
		63. Dhanrath
		64. Akkalkuva
		65. Sorapada
	55. Nasik	66. Khapre
		67. Deolali
		68. Bhagur
		69. Wani
		70. Dindori
	56. Satana	71. Deola
		72. Kalwan

APPENDIX III—contd.

(1)	(2)	(3)
VII. Maharashtra—contd.		
	57. Ghoti	73. Wadiware
		74. Zarwad
	58. Lasalgaon	75. Niphad
		76. Palkhed
		77. Pimpalgaon Bas- want
		78. Saikheda
		79. Ozar
		80. Chandor
		81. Kherwadi
	59. Malegaon	82. Umrane
	60. Nandgaon	83. Bolthan
		84. Manmad
	61. Sinnar	85. Nandur Shingote
		86. Wavi
	62. Yeola	
9. Thana . . .	63. Kalyan	
	64. Palghar	
	65. Bassein	
	66. Shahapur	87. Khardi
		88. Dolkhamb
		89. Kinhawali
	67. Bhiwandi	90. Palgha
	68. Murbad	91. Dhasai
10. Jalgaon . . .	69. Amalner	
	70. Jalgaon	
	71. Bhusawal	
	72. Chopda	92. Adawad
	73. Bodwad	93. Varangaon
		94. Edlabad
		95. Jamathi
		96. Kurha
	74. Chalisgaon	97. Mehunbare
	75. Pachhora	98. Kajgaon
		99. Varkhedi
		100. Nagardeola
	76. Raver	101. Savda

APPENDIX III—*contd.*

(1)	(2)	(3)
VII. Maharashtra—contd.		
	77. Jamner	102. Shendurni
	78. Dharangaon	103. Erandol
		104. Kasoda
	79. Faizpur	105. Yawal
	80. Parola	
11. Kolaba	81. Murud	
	82. Panvel	
	83. Pen	
	84. Roha	
	85. Khalapur	
	86. Karjat	
	87. Mahad	
	88. Mangaon	
	89. Alibag	
12. Aurangabad	90. Jalna	
	91. Aurangabad	
	92. Kannod	
	93. Lasur	
	94. Paithan	
	95. Vaijapur	
	96. Sillod	
13. Bhir	97. Ambejogai	
	98. Bhir	
	99. Dharur	
	100. Gevrai	
	101. Manjilgaon	
	102. Purli Vaijnath	
	103. Renapur	
14. Nanded	104. Bhokar	
	105. Degloor	
	106. Dharmabad	
	107. Hadgaon Road	
	108. Karkheli	
	109. Kinwat	
	110. Kundalwadi	
	111. Loha	
	112. Mudkhed	
	113. Mukhed	

APPENDIX III—*contd.*

(1)	(2)	(3)
	VII. Maharashtra—contd.	
	114. Nanded	
	115. Umri	
	116. Naigon	
15. Osmanabad .	117. Ahmedpur	
	118. Deoni	
	119. Hundergulli	
	120. Kallam	
	121. Latur	
	122. Osmanabad	
	123. Murum	
	124. Nilanga	
	125. Udgir	
16. Parbhani .	126. Parbhani	
	127. Sailu	
	128. Jintoor	
	129. Basmath Nagar	
	130. Akada Balapur	
	131. Hingoli	
	132. Gangakhed	
	133. Manwath	
	134. Purna	
	135. Partur	
	136. Pingli	
	137. Kalamnuri	
	138. Mantha	
17. Amravati .	139. Amravati (Cotton)	
	140. Amravati (Grain)	
	141. Achalpur (Cotton)	
	142. Anjangaon (Cotton)	
	143. Anjangaon (Grain)	
	144. Daryapur (Cotton)	
	145. Daryapur (Grain)	
	146. Dhamangaon (Cotton)	
	147. Dhamangaon (Grain)	
	148. Warud (Cotton)	
	149. Morshi (Cotton)	
	150. Warud (Grain)	

APPENDIX III—*contd.*

(1)	(2)	(3)
	VII. Maharashtra—contd.	
18. Akola .	151. Akola (Grain)	
	152. Akola (Cotton)	
	153. Telhara (Cotton)	
	154. Telhara (Grain)	
	155. Akot (Cotton)	
	156. Akot (Grain)	
	157. Washim (Cotton)	
	158. Washim (Grain)	
	159. Risod (Cotton)	
	160. Risod (Grain)	
	161. Murtizapur (Cotton)	
	162. Murtizapur (Grain)	
	163. Karanja (Cotton)	
	164. Karanja (Grain)	
	165. Malegaon (Grain)	
	166. Belapur (Cotton)	
19. Buldhana .	167. Malkapur (Cotton).	
	168. Malkapur (Grain)	
	169. Nandura (Cotton)	
	170. Nandura (Grain)	
	171. Shegaon (Cotton)	
	172. Shegaon (Grain)	
	173. Khamgaon (Cotton)	
	174. Khamgaon (Grain)	
	175. Jalgaon (Cotton)	
	176. Jalgaon (Grain)	
	177. Chikhali (Cotton)	
	178. Chikhali (Grain)	
	179. Deulgaonraja (Cotton).	
	180. Deulgaonraja (Grain).	
	181. Mehkar (Cotton)	
	182. Mehkar (Grain)	
	183. Lonar (Cotton and Grain).	

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>VII. Maharashtra—contd.</i>		
20. Bhandara .	. 184. Gondia 185. Tirora 186. Amgaon 187. Paoni 188. Bhandara 189. Lakhani 190. Sakola 191. Tumsar	
21. Chandrapur .	. 192. Warora (Cotton) 193. Warora (Grain) 194. Chanda (Cotton) 195. Chanda (Grain) 196. Armori (Grain) 197. Wadsa (Grain) 198. Gadchiroli (Grain) 199. Mul (Grain) 200. Brahmapuri (Grain) 201. Naghbir (Grain) 202. Sindewahi (Grain)	
22. Nagpur .	. 203. Katol (Cotton) 204. Katol (Grain) 205. Katol (Oranges) 206. Umrer (Grain and chillies) 207. Bhivapur (Grain and chillies) 208. Nagpur (Grain) 209. Nagpur (Orange) 210. Saoner (Grain) 211. Narkhed (Orange) 212. Kalmeshwar (Orange) 213. Kahali (Orange)	
23. Wardha .	. 214. Hinghanghat (Cotton). 215. Hinghanghat (Grain)	

APPENDIX III—*contd.*

(1)	(2)	(3)
	VII. <i>Maharashtra</i> —concl'd.	
	216. Arvi (Cotton)	
	217. Arvi (Grain)	
	218. Wardha (Cotton)	
	219. Wardha (Grain)	
	220. Wardha (Orange)	
	221. Pulgaon (Cotton)	
	222. Pulgaon (Grain)	
	223. Sindi (Grain)	
	224. Sindi (Cotton)	
24. Yeotmal . . .	225. Pandarkwada (Cotton).	
	226. Pandarkwada (Grain)	
	227. Ghatanji (Cotton)	
	228. Ghatanji (Grain)	
	229. Darva (Cotton)	
	230. Darva (Grain)	
	231. Wani (Cotton)	
	232. Wani (Grain)	
	233. Umarkhed (Cotton)	
	234. Umarkhed (Grain)	
	235. Yeotmal (Cotton)	
	236. Yeotmal (Grain)	
	237. Boriarab (Cotton)	
	238. Digras (Cotton)	
	239. Digras (Grain)	
	240. Pusad (Cotton)	
	241. Pusad (Grain)	
	VIII. <i>Mysore</i>	
1. Bangalore . . .	1. Bangalore	
	2. Channapatna	
	3. Doddaballapur	
2. Kolar . . .	4. Chintamani	
	5. Mulbagal	

APPENDIX III—*contd.*

(1)	(2)	(3)
VIII. Mysore—contd.		
	6. Chikballapur	
	7. Gouribidnur	
3. Tumkur . . .	8. Tumkur	
	9. Madhugiri	
	10. Sira	
	11. Tiptur	
	12. Kunigal	
	13. Tiruvekere	
	14. C. N. Halli	
	15. Huliya	
	16. Gubbi	
4. Chitaldurga . . .	17. Chitaldurga	
	18. Hiriya	
	19. Chalakere	
	20. Davangere	
	21. Harihar	
	22. Hosangur	
5. Belary . . .	23. Bellary	1. Kottur
		2. H.B. Halli
		3. Sirguppa
		4. Harpanahalli
		5. Hospet
		6. Hadagalli
		7. Kudiga
		8. Kampli
		9. Sandur
6. Mysore . . .	24. Mysore	
	25. K. R. Nagar	
	26. Kollegal	
	27. Chamrajanagar	
	28. Nanjangud	
7. Mandya . . .	29. Mandya	
8. Hassan . . .	30. Hassan	
	31. Arsikere	

APPENDIX III—*contd.*

(1)	(2)	(3)
	VIII. <i>Mysore</i> — <i>contd.</i>	
	32. Saklespur	
	33. Channarayapatna	
	34. Hole Narsipur	
9. Shimoga . . .	35. Shimoga	
	36. Sagar	
	37. Shikaripur	
	38. Chennagiri	
10. Chigmaglur . . .	39. Kadur	
	40. Tarkkeri	
11. South Kanara . . .	41. Mangalore	
12. Gulbarga . . .	42. Gulbarga	
	43. Yadgir	
	44. Sedam	
	45. Chitapur	
	46. Shahabad	
	47. Shahapur	
	48. Shorapur	10. Gogi
	49. Saidapur	11. Rangampet
	50. Nalwar	
13. Raichur . . .	51. Raichur	
	52. Koppal	12. Kinhal
	53. Gangavathi	13. Bhanapur
	54. Kushtagi	14. Genigera
		15. Bevoor
		16. Kanakgiri
14. Bidar . . .	55. Bidar	
	56. Bhalki	
	57. Humnabad	17. Chitaguppa
	58. Basawa Kalyani	
15. Dharwar . . .	59. Dharwar	18. Alnawar
	60. Hubli	19. Yelavigi
		20. Gudgeri
		21. Kalghatigi
	61. Annigeri	

APPENDIX III—*contd.*

(1)	(2)	(3)
VIII. Mysore—contd.		
62. Gadag		22. Mulgund
		23. Hulkoti
63. Mundargi		24. Dombal
64. Ron		25. Gajendragad
		26. Holealur
		27. Naregal
		28. Sudi
65. Kundgol		
66. Savanur		
67. Laxmeshwar		29. Sirahatti
		30. Shiggali
		31. Bellatti
68. Ranebennur		32. Halgeri
69. Nargund		
70. Haveri		33. Guttal
		34. Hongal
		35. Akkialur
71. Hirekerur		36. Rattinahalli
		37. Hunsbhavi
72. Byadagi		
16. Belgaum	73. Belgaum	38. Hirebagewadi
	74. Nipani	
	75. Athani	39. Kagwad
	76. Sankeshwar	40. Herkeri
		41. Bellad Bagewadi
		42. Bachapur
		43. Yam Kana Marad
	77. Bail hongal	44. Kittur
		45. Murgod
	78. Saundatti	46. Yaragatti
	79. Ramdurg	47. Katkol
		48. Hulgund
	80. Gokak	49. Mudalgi
		50. Ankalgi
	81. Nandgad	
	82. Kudchi	51. Herogeri

APPENDIX III—*contd.*

(1)	(2)	(3)
VIII. Mysore—concl'd.		
17. Bijapur	83. Bijapur	52. Indi
		53. Muddebihal
		54. Naltwad
		55. Sindagi
		56. Chadchan
	84. Jamkhandi	57. Mudhol
		58. Mahalingpur
		59. Terdal
	85. Bagalkot	60. Badami
		61. Hunugund
18. North Kanara	86. Talikote	62. Ilkal
	87. Sirsi	63. Siddapur
	88. Kumpta	64. Honavar
	89. Haliyal	65. Bhatkal
		66. Ankola
IX. Orissa		
1. Balasore	1. Bhadrak	
	2. Chandbali	
	3. Jaleswar	
	4. Balasore	
2. Bolangir	5. Kantabanji	1. Titilagarh
	6. Bolangir	
3. Ganjam	7. Parlakimedi	
4. Cuttack	8. Kendupatna	2. Danpur
		3. Tarpur
		4. Chbatiya
		5. Dhanmandal
		6. Raghunathpur
		7. Marsaghai
	9. Banki	
	10. Jagatsinghpur	
	11. Jajpur	

APPENDIX III—*contd.*

(1)	(2)	(3)
IX.—Orissa.—contd.		
5. Dhenkanal . . .	12. Angul	8. Bainabahal Hat
6. Keonjhar . . .	13. Anandapur 14. Keonjhargarh	
7. Kalahandi . . .	15. Junagarh 16. Khariar Road 17. Kesinga	
8. Koraput . . .	18. Nowrangapur 19. Gunupur 20. Jeypore 21. Rayagadh	
9. Mayurbanj . . .	22. Betonati 23. Baripada	
10. Phulbani . . .	24. Tikabali	9. Raikia 10. G. Udayagiri 11. Balliguda
11. Puri . . .	25. Jatni 26. Sakhigopal	12. Pipli 13. Harirajpur 14. Delang 15. Satasankha 16. Chandanpur
12. Sambalpur . . .	27. Sambalpur 28. Padampur 29. Jharsuguda 30. Bargarh	17. Barapalli 18. Sohella 19. Attabira
X. Punjab		
1. Amritsar . . .	1. Amritsar	1. Attari 2. Chehharta 3. Jaintipur 4. Kathunagal 5. Mirka 6. Majitha

APPENDIX III—*contd.*

(1)	(2)	(3)
	X. <i>Punjab</i> — <i>contd.</i>	
		7. Fatehsingh Mandi
		8. Mewa Mandi
	2. Ajnala	9. Chogawan
		10. Goggo Mahil
	3. Bhikhiw nd	11. Algon
		12. Khalra
	4. Gehri	13. Jandiala
		14. Mandi Jandiala
		15. Canal Bridge Tar-
		sila.
		16. Addanath Wali
		Khuli Chandanka.
	5. Patti	17. Mandi Khurd
		18. Behmiwala
		19. Gharyala
	6. Rayya	20. Mehta Chowk
		21. Butari
		22. Beas
	7. Taran Taran	23. Fatehabad
2. Ferozepur . . .	8. Baghapurana	24. Nehru Market
	9. Abohar	25. North Circular Road assigned for sale and purchase of dry green fodder.
		26. South corner of Mandi No. 1 assigned for sale and purchase of fruits and vege- tables.
	10. Ferozepur	27. Vegetable market
		28. Anaj Mandi
		29. Bazar Kasba
		30. Namak Mandi
	11. Fazilka	31. Fazilka
		32. Fodder Market, Fazilka.

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>X. Punjab—contd.</i>		
		33. Bazar Mehrian
		34. Raranwala
		35. Mandi Lodhoka
12. Jalalabad		36. Jalalabad
13. Moga		37. Vegetable market, Moga.
		38. Green fodder market.
		39. Dry fodder mar- ket.
14. Mukatsar		40. Barwala
		41. Lakhowali
		42. Mukatsar
		43. Fodder market
15. Makhu		44. Mullanwala
16. Malout		45. Surajram market
		46. Municipal Chowk
17. Talevandi-bhai		47. Fruit and vege- table market.
18. Giddarbaha		
19. Dharamkot		
20. Ghurubar Shahai		
21. Nihal Singh Wala		
22. Zira		
3. Gurdaspur . . .	23. Pathankot	48. Tonga Agency
		49. Galla Mandi
		50. Subzi Mandi
		51. Sajanpur Mandi
		52. Dalhousie
		53. Sarna Mandi
	24. Quadian	54. Mandi Harnam Singh Balbir Singh.
		55. Railway Road Mandi.
25. Gurdaspur		56. Subzi mandi
26. Dhariwal		
27. Batala		57. Vegetable market
		58. Dera Baba Nanak

APPENDIX III—*contd.*

(1)	(2)	(3)
X. Punjab—contd.		
	28. Dina Nagar	59. Co-operative shop, building.
4. Jullundur	29. Banga	60. Vegetable market,
		61. Mukandpur
	30. Jullundur City	62. Subzi Mandi
		63. Gur Mandi
		64. Leather market, Ramdaspura.
		65. Green fodder sub-yard, Nakodar Road.
		66. Green fodder market, Patel Chowk.
		67. Dry fodder market, G.T. Road.
		68. Green and dry fodder market, Hoshiarpur Road.
		69. Kartarpur
		70. Bhogpur
	31. Jullundur Cantt.	71. Vegetable market
		72. Dry and green fodder market.
		73. Jansher.
	32. Nakodar	74. Vegetable market
	33. Nawanshahar	75. Vegetable market at Nawan shahar.
		76. Rahon
		77. Aur
		78. Vegetable market at Sarai.
	34. Phillour	79. Vegetable market
		80. Garya
		81. Bhilga
		82. Apra
	35. Noormahal	
	36. Shahkot	
	37. Adampur	

APPENDIX III—*contd.*

(1)	(2)	(3)
X. Punjab—contd.		
5. Ludhiana . . .	38. Jagraon	83. Vegetable market, Shivala Gate.
	39. Khanna	84. G. T. Road between milestones 164/3 and 164/6.
	40. Ludhiana	85. Baghbuta Shah
		86. Talab Mandi
		87. Gur Mandi
		88. Subzi Mandi
		89. G.T. Road Mandi.
		90. Kesargunj Road and Gopal Road.
		91. Chowk Subzi Mandi at Bhadda Nalla.
		92. Mandi Sono Rawal.
6. Hoshiarpur . . .	41. Mullanpur	93. Mullanpur Market.
	42. Raikot	94. Jawahargate Market (F. & V.)
	43. Samrala	95. Khamanon
	44. Machhiwara	
	45. Doraha	96. Vegetable market
	46. Garhshankar	97. Balachaur
		98. Saila Khurd
		99. Mohalpur
		100. Saraha
	47. Hoshiarpur	101. Haryana
	48. Mukherian	102. Sham Chaurasi
		103. Old Market, Mukherian.
		104. Vegetable market
		105. Vegetable market at Talwara township.
	49. Urmartanda	106. Darapur
		107. Urmar
		108. Grain market yard at Dasuya Mandi.

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>X. Punjab—contd.</i>		
7. Kapurthala . . .	50. Kapurthala	109. Vegetable Mandi
	51. Phagwara	110. Fodder Market
	52. Sultanpur	111. Dhilwan Mandi
	53. Bholath	112. Vegetable Mandi, Khosra.
8. Patiala . . .	54. Bassi Pathana	113. Leather market, Rattanpura.
	55. Gobindgarh	114. Vegetable Market
	56. Nabha	115. Building of Mangal Singh.
	57. Patiala	116. Amloh
		117. Kapas Mandi
		118. Bhadsaon
		119. Mai Sahib Street
		120. Groundnut sale in the Municipal site.
		121. Anaj Mandi
		122. Chillies market
		123. Gur Mandi
		124. Partap Mandi
		125. Saman Market
		126. Tripari
	58. Rajpura	127. Patras Safa Badi Gate.
		128. Rajpura
	59. Samana	129. Banaur
		130. Satrana
		131. Patran Mandi
		132. Gangu
	60. Sirhind	
	61. Dera Bassi	133. Lalru
9. Bhatinda . . .	62. Bareta	
	63. Bhatinda	
	64. Bhudlada	134. Gram Panchayat, Boha.
	65. Kotkapura	
	66. Faridkot	135. Addabazar at Golewala.

APPENDIX III—*contd.*

(1)	(2)	(3)
	<i>X. Punjab—contd.</i>	
	67. Goniana Mandi	
	68. Jaitu	136. Baje Khana
	69. Mansa	137. Sardulgarh
		138. Bhilkhi
	70. Maur	139. Kotfetch
	71. Raman	140. Talwandi Saboo
	72. Ramphuraphul	
	73. Bhuchio	
	74. Sangat	
10. Sangrur	75. Barnala	141. Bhadaur
		142. Dhanaula
	76. Dhuri	143. New Mandi
	77. Lehargaga	
	78. Malerkotla	144. Green Mandi
	79. Sangrur	145. Pansari Bazar
		146. Bhiwanigarh
	80. Sunam	147. Subzi Mandi
	81. Tapa	148. Sardar Bazar of Tapa Mandi.
	82. Bahadurgarh	149. Open place own- ed by Shri Babu- ram in front of shop in old grain, Ahmedgarh.
		150. Open place owned by Shri Wali Ram in front and open place owned by Shri Faqir Chand Dhani, Ram Bazar, Ah- medgarh.
11. Rupar	83. Kharar	151. Sohna
		152. Chuni Kalan
	84. Khurali	153. Gora Mandi
		154. Sailba
		155. Majri
		156. Khizrabad

APPENDIX III—*contd.*

(1)	(2)	(3)
X. Punjab—contd.		
85. Morinda		157. Bela
86. Rupar		
XI. Haryana		
1. Ambala . . .	1. Ambala city	1. Vegetable market
	2. Ambala cantt.	2. Ambala Cantt.
		3. Barara Rly. Station.
	3. Jagadhri	4. Mulana.
		5. Yamunanagar (Grain).
		6. Yamunanagar (Vegetable).
		7. Jagadhri
		8. Chhachhrauli
		9. Bilaspur
		10. Mustafabad
	4. Kalka	11. Mallha
	5. Naraingarh	12. Pinjore
	6. Sandhura	
2. Gurgaon . . .	7. Ballabhgarh	13. Main bazar of Fatehpur Bilach.
	8. Hodal	14. Abadi area of town Punhara.
		15. Abadi area of town Bichhore.
		16. Hossanpur
	9. Nuh	17. Taura
		18. Hathiem
	10. Palwal	19. Palwal
		20. Camp Colony market.
	11. Rewari	21. Jhajar Gate
		22. Kunud Gate
		23. N. E. S. Block Palwal.

APPENDIX III—*contd.*

(1)	(2)	(3)
	XI. <i>Haryana</i> — <i>contd.</i>	
	12. Sohna	
	13. Gurgaon	
	14. Faridabad	
	15. Pataudi	
	16. Ferozepur Jhirka	
3. Karnal . . .	17. Karnal	
	18. Kaithal	24. Kaithal
	19. Ladwa	25. Radaur Town
	20. Gharaunda	26. Indri
	21. Panipat	27. Mandi Muni Ram.
	22. Fatehpur Pundri	28. Gaushala Mandi
	23. Samalkha	29. Bus Stand, Fatehpur.
	24. Shahabad Markanda.	30. Shahabad.
	25. Thanesar	31. Jhansa
	26. Tarori	32. Ismailiabad
		33. Pipli
		34. Purusharthi Market.
		35. Katju Nagar
		36. Nijdu village
	27. Pehowa	
4. Hissar . . .	28. Bhiwani	37. Jui
		38. Tosham
	29. Ding	39. Bhattu (Grain market).
		40. Suchan Kothi
	30. Hansi	41. Narnaund
		42. Sirsai
		43. Mundhal
		44. Bhiwani Khera
	31. Hissar	45. Hissar
		46. Balsamand
		47. Bedopal
		48. Sarsod

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>XI. Haryana—contd.</i>		
	32. Jakhal	
	33. Dabwali	49. Chautala
	34. Kalan Wali	50. Rori
		51. Odhan
	35. Sirsa	52. Vegetable market
		53. Rania
	36. Loharu	54. Behl
		55. Dighawa
	37. Tohana	56. Tohana
	38. Uklana	57. Bhuna
		58. Pabra
		59. Barwala
	39. Ellenabad	
	40. Fathebad	
	41. Siwani	
	42. Adampur	
5. Rohtak	43. Bahadurgarh	60. Bahadurgarh
		61. Jhajjar
		62. Vegetable market at Jhajjar.
	44. Gohara	63. Gohana
		64. Mundhara
		65. Mehri
	45. Rohtak	66. Kewanganj, Roh- tak.
		67. Vegetable market, Rohtak.
		68. Kalanwar
	46. Sampla	69. Khar Khuda
		70. Beri town
	47. Sonapat	71. Prabhunagar
		72. Vegetable market, Sonapat.
		73. Murthal
		74. Bazar at Mohana
		75. Jhahhambi
		76. Bhatgaon

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>XI. Haryana—contd.</i>		
		77. Bhalgarh
		78. Shivpuri Mandi at Kanda.
	48. Ganaur	
6. Mohindergarh	49. Ateli	79. Kanti
	50. Charkhi Dadri	80. Vegetable market at Charkhi Dad- ri.
	51. Kaniya	
	52. Mohindergarh	81. Mohindergarh
		82. Satnali
		83. Nangal Sirohi
	53. Narnaul	84. Grain bazar
		85. Nizampur
		86. Nangal Chowdh- ry.
		87. Niwas Nagar.
7. Jind	54. Uchana	
	55. Julana	
	56. Jind	88. Vegetable market
	57. Narwana	89. Vegetable market
		90. Khanauri Kalan
	58. Safidon	91. Pella Khera
8. Karnal	59. Madhlanda	
<i>XII. Rajasthan</i>		
1. Alwar	1. Alwar	1. Ramgarh
	2. Khairthal	2. Malakhera
	3. Kherli	3. Govindgarh
2. Bharatpur	4. Bharatpur	4. Tijara
	5. Nadbai	
	6. Kama	
	7. Deeg	

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>XII. Rajasthan—contd.</i>		
	8. Dholpur	5. Baseri
	9. Bari	6. Sirmutha
	10. Bayana	
3. Sawai Madhopur .	11. Sawai Madhopur	7. Chauth-ka-Barwara.
	12. Gangapur	8. Sewarh
	13. Hindaun	
	14. Mundawar-Mahua Road.	
4. Jaipur . . .	15. Jaipur (Grain)	9. Acheroi
	16. Jaipur (F. & V.)	
	17. Dausa	10. Lalsot
	18. Kotputli	
	19. Bandikui	
	20. Chakran	
	21. Naraina	
	22. Chouru	
5. Sikar . . .	23. Sri Madhopur	
	24. Neem-ka-thana	
	25. Sikar	
6. Jhunjhunu . .	26. Fatehnagar	11. Chirawa
	27. Jhunjhunu	12. Khetri
	28. Surajgarh	
7. Tonk . . .	29. Tonk	13. Toda Rai Singh.
	30. Malpura	
	31. Niwai	
	32. Deoli	
8. Ajmer . . .	33. Ajmer	14. Nasirabad
	34. Bijohnagar	
	35. Madanganj	
	36. Beawar	
	37. Kekri	
9. Pali . . .	38. Pali	
	39. Sojat Road	15. Sojat City

APPENDIX III—*contd.*

(1)	(2)	(3)
XII. Rajasthan—contd.		
	40. Jetaran	16. Raipur
	41. Rani	
	42. Sumerpur	
10. Jalore . . .	43. Bhinmal	17. Raniwara
11. Barmer . . .	44. Barmer	
	45. Balotra	
12. Jodhpur . . .	46. Jodhpur	
	47. Bilara	
	48. Pipar City	
13. Sirohi . . .	49. Sheoganj	
	50. Abu Road	18. Saroop Ganj
14. Bikaner . . .	51. Bikaner	
	52. Nokha	
15. Nagaur . . .	53. Nagaur	19. Mundwa
	54. Mesta city	20. Kuchera
	55. Kuchman city	21. Deedwana
		22. Makrana
16. Churu . . .	56. Sardar Shahar	
	57. Sadulpur	
17. Sri Ganganagar .	58. Sri Ganganagar	23. Pephena
	59. Bhadra	24. Gujameri
	60. Nohar	25. Rawatsar
	61. Hanumangarh	26. Hanumangarh (town).
	62. Sangaria	27. Binj balia
	63. Sadulshahar	28. Dabli Naulirwas
	64. Pilibinga	29. Dholipal
	65. Sri Karanpur	
	66. Raisinghpur	30. Suratgarh
	67. Padampur	31. Bidmalsar
	68. Sri Vijay Nagar	32. Jetsar
		33. Anoopagarh

APPENDIX III—*contd.*

(1)	(2)	(3)
<i>XII. Rajasthan—contd.</i>		
18. Hota . . .	69. Gaj Singhpur 70. Antah 71. Kotah 72. Baran 73. Ram Gunj Mandir 74. Indergarh	34. Chipa Barod 35. Sangod 36. Seeswali 37. Sultanpur
19. Jhalawar . . .	75. Bhawanimandi 76. Choumeia	
20. Bundi . . .	77. Bundi	38. Keshorpatan 39. Kapren
21. Banswara . . .	78. Banswara	
22. Udaipur . . .	79. Udaipur 80. Nathdwara 81. Bhinder 82. Fatehnagar	40. Rajnagar
23. Chittoorgarh . . .	83. Kapsin 84. Nimbahera 85. Partapgarh	41. Choti Sadri 42. Bari Sadri
24. Bhilwara . . .	86. Bhilwara 87. Gulabpura	43. Gangapur 44. Raile
<i>XIII. Uttar Pradesh</i>		
1. Agra	1. Fatehabad	
2. Aligarh	2. Atrauli 3. Hathras 4. Sikandrarao 5. Ujhani 6. Bareilly 7. Bilthra Road 8. Bulandshahr 9. Dankam 10. Jahangirabad 11. Shikarpur	1. Mursan 2. Sasni 3. Sikandarpur

APPENDIX III—*contd.*

(1)	(2)	(3)
XIII. <i>Uttar Pradesh—contd.</i>		
7. Fatehpur	12. Khaga	
	13. Bindki	
8. Farrukhabad	14. Chhibraman	4. Gursahaigunj
		5. Kharni
9. Jalaun	15. Orai	
10. Jhansi	16. Mauranipur	
11. Kanpur	17. Pokhrayan	6. Moosanagar
12. Meerut	18. Hapur	7. Pilkhua
		8. Garmukteshwar
	19. Khakra	
	20. Meerut	
	21. Muradnagar	9. Modinagar
13. Mathura	22. Kosikalan	10. Shergarh
		11. Chhata
14. Moradabad	23. Bahjoi	
	24. Sambhal	
	25. Chandausi	
15. Muzaffarnagar	26. Muzaffarnagar	12. Shahpur
	27. Shamli	13. Budhana
		14. Kairaya
		15. Jhinhana
16. Nainital	28. Ramnagar	16. Gadarpur
	29. Rudrapur	17. Bilaspur
17. Rampur		
XIV. <i>Chandigarh</i>		
1. Chandigarh	1. Chandigarh	1. Manimajra
XV. <i>Delhi</i>		
1. Delhi	1. Narela	
	2. Najafgarh	
	3. Zakhira	
XVI. <i>Tripura</i>		
1. Tripura	1. Bishalgarh	

APPENDIX IV

Number of markets regulated for important notified commodities in each State, December 1966

Commodity	An- dhra Pra- des	Bihar	Guja- rat	Har- yana	Kera- la	Madh- ya Pra- des	Tamil Nadu	Maha- rasha- tra	My- sore	Orissa	Pun- jab	Raja- sthan	Utt- ar Pra- des	Delhi	Chan- digarh	Tri- pura	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
<i>I. Cereals</i>																	
Wheat	.	56	39	65	57	..	126	..	145	34	8	83	86	3	2	1	705
Paddy	.	56	57	43	57	..	125	61	88	56	22	83	4	3	..	1	657
Rice	.	56	58	26	57	..	125	..	90	38	18	83	7	3	..	1	562
Jowar	.	56	2	65	57	..	126	..	155	55	4	83	66	2	2	1	674
Bajra	.	56	1	65	57	..	126	..	134	31	2	83	56	..	2	1	614
Maize	.	56	41	18	57	..	126	..	58	19	3	83	53	2	1	1	518
Barley	.	56	13	6	57	..	126	..	49	17	..	83	81	3	2	1	494

II. *Gram and pulses*

Gram . . .	56	39	56	57	..	126	..	140	36	11	83	81	3	2	1	..	691
All pulses . .	56	30	54	57	..	126	..	150	42	20	83	68	3	2	1	..	692

III. *Oilseeds*

Groundnut . .	119	6	63	57	..	126	76	148	76	13	83	39	1	..	1	..	808
Linseed . . .	56	40	..	..	..	126	..	107	28	5	..	16	1	..	..	..	379
Rape and mustard .	56	39	38	57	..	159	..	54	19	13	83	53	3	2	1	..	577
Cotton seed . .	56	..	1	57	..	6	..	70	22	..	83	11	..	1	1	..	308
Castor seed . .	56	19	51	..	..	126	..	68	46	6	..	1	..	..	..	..	373
Sesamum . . .	62	4	60	..	..	126	22	115	41	7	..	62	1	..	..	..	500
Other oilseeds . .	56	6	2	..	4	126	2	91	40	7	..	..	..	..	..	..	334

IV. *Fibres*

Cotton . . .	101	2	62	57	..	70	48	139	34	1	83	31	1	..	1	..	630
Jute . . .	3	19	..	..	..	..	..	..	..	16	..	..	..	..	..	1	39
Sann hemp . .	56	1	4	..	..	25	..	50	1	15	..	..	..	..	..	..	152
Wool . . .	..	..	..	57	..	..	..	1	..	..	83	14	..	..	1	..	156

VII. *Fruits and vegetables*

Cashewnuts . . . . .	..	..	..	..	7	..	..	1	..	..	..	..	..	8
Mangoes (raw or ripe)	56	9	5	..	..	52	17	5	..	3	..	..	..	147
Orange . . . . .	..	2	..	57	..	..	7	..	3	83	2	..	1	155
Potato . . . . .	..	24	3	57	..	..	9	9	12	83	2	2	1	202
Onion	64	11	4	57	..	..	72	32	14	83	2	..	1	340
Fresh vegetables . . . . .	..	8	1	57	..	..	2	3	6	83	3	..	1	164
Fresh fruits . . . . .	..	3	1	57	..	..	6	4	3	83	2	..	1	160

VIII. *Miscellaneous*

Fodder and grass (dry and green) . . . . .	..	..	5	57	..	3	..	8	..	83	..	..	1	157
Tobacco	101	..	2	..	..	15	56	7	8	..	3	..	1	193
Lac	56	3	..	..	13	..	50	17	..	..	..	..	..	139
Gur and jaggery	74	25	10	57	..	125	4	111	53	11	83	45	3	604

NOTE.—The information given in the above table relates to the main market yard (principal markets) of the regulated markets, i.e., it does not include information for sub-market yards. In the case of sub-market yards, the commodities regulated are the same as in the case of main market yards.

Source : "Regulated Markets and Notified Commodities", Directorate of Economics and Statistics, November, 1967.

APPENDIX V
*Classification of the reporting regulated markets in different States according to quantity of produce
 handled during the years 1961-62 and 1964-65*
 (Figures relating to the year 1961-62 are given in brackets)

Quantity handled ('000 tonnes)	Andhra Pradesh		Bihar*		Delhi		Gujarat		Kerala		Madhya Pradesh		Madras	
	No. of markets	Percen- tage	No. of markets	Percen- tage	No. of markets	Percen- tage	No. of markets	Percen- tage	No. of markets	Percen- tage	No. of markets	Percen- tage	No. of markets	Percen- tage
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
0-2.5	22 (17)	20.9 (21.2)	..	..	..	..	..	..	4 (2)	100.0 (100.0)	2 (10)	5.6 (21.7)	69 (14)	87.3 (56.0)
2.5-5.0	15 (6)	14.3 (7.5)	..	..	..	..	4 (8)	11.1 (12.1)	..	..	5 (6)	13.9 (13.1)	..	..
5.0-7.5	6 (5)	5.7 (6.3)	1	11.1	..	..	1 (1)	2.8 (1.5)	..	..	5 (8)	13.9 (17.4)	4 (1)	5.1 (4.0)
7.5-10	4 (6)	3.8 (7.5)	..	..	..	..	2 (4)	5.5 (6.1)	..	..	6 (3)	16.7 (6.5)	1 (4)	1.3 (16.0)
10-15	7 (5)	6.7 (6.3)	..	..	2 (2)	100.0 (100.0)	5 (16)	13.9 (24.3)	..	..	6 (4)	16.7 (8.7)	4 (2)	5.0 (8.0)
15-20	27 (6)	25.7 (7.5)	..	22.2	..	..	7 (4)	19.5 (6.1)	..	..	6 (6)	16.7 (13.0)	1 (1)	1.3 (4.0)
20-30	11 (7)	10.5 (8.8)	..	22.2	..	..	8 (9)	22.2 (13.6)	..	..	3 (6)	8.4 (13.0)	..	..
30-40	6 (5)	5.7 (6.2)	3	33.4	..	..	5 (12)	13.9 (18.2)	..	..	1 (1)	2.7 (2.2)	..	..
40-50	1 (1)	1.0 (1.2)	1	11.1	..	..	1 (3)	2.8 (4.5)	..	..	..	..	..	..
50-60	..	..	..	..	..	..	2 (2)	5.5 (3.0)	..	..	..	..	..	..
60 and above	6 (16)	5.7 (20.0)	..	..	..	..	1 (3)	2.8 (4.5)	..	..	1 (1)	2.7 (2.2)	..	..
All-India	105 (80)	100.0 (100)	9	100.0	2 (2)	100.0	36 (66)	100.0 (100)	4 (2)	100.0 (100)	36 (46)	100.0 (100)	79 (25)	100.0 (100)

APPENDIX V—*contd.*

Quantity handled ('000 tonnes)	Maharashtra		Mysore		Orissa		Punjab		Rajasthan*		All India	
	No. of markets	Per- centage	No. of markets	Per- centage	No. of markets	Per- centage	No. of markets	Per- centage	No. of markets	Per- centage	No. of markets	Per- centage
(1)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
0—2.5	14 (16)	14.4 (12.2)	14 (9)	18.7 (13.8)	2 (3)	22.2 (33.4)	2 (4)	2.8 (5.7)	2	28.6	131 (79)	24.7 (15.9)
2.5—5.0	16 (9)	16.5 (6.9)	9 (7)	12.0 (10.8)	2 (3)	22.2 (33.3)	2 (5)	2.8 (7.2)	..	..	53 (45)	10.0 (9.1)
5.0—7.5	13 (14)	13.4 (10.7)	11 (8)	14.7 (12.3)	1 (—)	11.1 (—)	4 (1)	5.6 (1.4)	..	..	46 (38)	8.7 (7.7)
7.5—10	6 (15)	6.2 (11.4)	5 (7)	6.7 (10.8)	— (1)	— (11.1)	7 (6)	9.9 (8.6)	2	28.6	33 (46)	6.2 (9.3)
10—15	15 (18)	15.5 (13.7)	10 (8)	13.3 (12.3)	1 (—)	11.1 (—)	13 (14)	18.3 (20.0)	2	28.6	65 (69)	12.3 (13.9)
15—20	9 (12)	9.3 (9.2)	7 (5)	9.3 (7.7)	— (—)	11.1 (—)	7 (11)	9.9 (15.7)	..	..	67 (45)	12.6 (9.1)
20—30	11 (20)	11.4 (15.3)	3 (9)	4.0 (13.9)	2 (—)	22.2 (—)	16 (15)	22.5 (21.4)	1	14.2	57 (68)	10.8 (13.7)
30—40	5 (4)	5.2 (3.1)	2 (1)	2.6 (1.5)	— (1)	— (11.1)	9 (4)	12.7 (5.7)	..	..	31 (28)	5.8 (5.6)
40—50	2 (5)	2.0 (3.8)	3 (3)	4.0 (4.6)	.. (1)	.. (11.1)	2 (1)	2.8 (1.4)	..	..	11 (15)	2.1 (3.0)
50—60	4 (3)	4.1 (2.3)	6 (3)	8.0 (4.6)	.. (—)	.. (—)	3 (3)	4.2 (4.3)	..	..	15 (17)	2.8 (3.4)
60 and above	2 (15)	2.0 (11.4)	5 (75)	6.7 (7.7)	.. (—)	.. (—)	6 (6)	8.5 (8.6)	..	..	21 (46)	4.0 (9.3)
All-India	97 (131)	100.0 (100)	75 (65)	100.0 (100)	9 (9)	100.0 (100)	71 (70)	100.0 (100)	7	100.0	530 (496)	100.0 (100)

* Bihar and Rajasthan had no regulated markets in 1961-62 as the Acts had not been passed.

APPENDIX VI

Classification of the reporting regulated markets on the basis of value of produce handled in 1964-65

Sl. No.	Value in million rupees	Andhra Pradesh		Bihar		Delhi		Gujarat		Kerala		Madhya Pradesh		Madras	
		No. of markets	Per cent. of tag	No. of markets	Per cent. of tag	No. of markets	Per cent. of tag	No. of markets	Per cent. of tag	No. of markets	Per cent. of tag	No. of markets	Per cent. of tag	No. of markets	Per cent. of tag
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1.	0—2.5	.	.	.	45	42.9	..	..	..	..	..	..	..	..	..
2.	2.5—5.0	.	.	.	19	18.1	..	..	..	..	..	..	..	..	..
3.	5.0—7.5	.	.	.	10	9.5	1	11.1	..	..	..	..	..	..	..
4.	7.5—10	.	.	.	6	5.7	1	11.1	..	..	..	..	..	..	..
5.	10—15	.	.	.	5	4.8	..	..	2	100.0	..	..	..	..	..
6.	15—20	.	.	.	5	4.8	3	33.3	..	..	..	..	..	..	..
7.	20—30	.	.	.	5	4.8	3	33.3	..	..	..	..	..	..	..
8.	30—40	.	.	.	4	3.8	..	..	..	..	..	..	..	..	..
9.	40—50	.	.	.	1	0.9	1	11.2	..	..	..	..	..	..	..
10.	50—60	.	.	.	2	1.9	..	..	..	..	..	..	..	..	..
11.	60 and above	.	.	.	3	2.8	..	..	..	..	..	..	..	..	..
Total No. of markets		105	100.0	9	100.0	2	100.0	36	100.0	4	100.0	36	100.0	79	100.0

APPENDIX VI—*contd.*

Sl. No.	Value in million rupees	Maharashtra		Mysore		Orissa		Punjab		Rajasthan		All-India	
		No. of markets	Per-centage	No. of markets	Per-centage	No. of markets	Per-centage	No. of markets	Per-centage	No. of markets	Per-centage	No. of markets	Per-centage
(1)	(2)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
1.	0—2.5	21	21.7	17	22.7	5	55.6	5	7.1	2	28.5	163 (111)	30.8 (22.4)
2.	2.5—5.0	20	20.6	13	17.3	..	..	12	16.9	..	..	90 (84)	17.0 (16.9)
3.	5.0—7.5	7	7.2	9	12.0	2	22.2	9	12.7	1	14.3	47 (62)	8.8 (12.5)
4.	7.5—10	9	9.3	9	12.0	..	..	3	4.2	1	14.3	34 (52)	6.4 (10.5)
5.	10—15	10	10.3	8	10.7	2	22.2	10	14.1	1	14.3	53 (73)	10.0 (14.7)
6.	15—20	7	7.2	2	2.7	..	..	13	18.3	1	14.3	42 (37)	7.9 (7.5)
7.	20—30	15	15.4	3	4.0	..	..	11	15.5	1	14.3	51 (35)	9.6 (7.1)
8.	30—40	4	4.1	6	8.0	..	..	1	1.4	..	..	17 (15)	3.2 (3.0)
9.	40—50	2	2.1	4	5.3	..	..	4	5.6	..	..	16 (9)	3.0 (1.8)
10.	50—60	2	2.1	..	..	..	..	3	4.2	..	..	8 (10)	1.5 (2.0)
11.	60 and above	..	..	4	5.3	..	..	..	..	..	..	9 (8)	1.8 (1.6)
	Total No. of markets	97	100.0	75	100.0	9	100.0	71	100.0	7	100.0	530 (496)	100.0 (100.0)

Note.—Figures in bracket relate to 1961-62.

APPENDIX VII

Delegation of powers to different authorities under various Markets Acts and Rules

Sl. No.	Nature of power	Authority in whom vested and the Section concerned										
		Andhra Pradesh	Bihar	Gujarat	Madras	Madhya Pradesh	Maharashtra	Mysore	Orissa	Punjab	Rajasthan	Uttar Pradesh
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1.	Notification of intention of regulating the marketing of specified agricultural produce in specified area.	Govt. Sec. 3(1)	Govt. Sec. 3(i)	Director Sec. 5(1)	Govt. Sec. 3	Govt. Sec. 3(i)	Govt. Sec. 3(i)	Govt. Sec. 3(i)	Govt. Sec. 3(i)	Govt. Sec. 5(i)	Govt. Sec. 3(i)	Govt. Sec. 5(i)
2.	Declaration of market area and of regulation of marketing of special agricultural produce therein.	Govt. Sec. 3(3)	Govt. Sec. 4(i)	Director Sec. (6)	Govt. Sec. 4	Govt. Sec. 3(4)	Govt. Sec. 4(i)	Govt. Sec. 4	Govt. Sec. 4(i)	Govt. Sec. 6(i)	Govt. Sec. 4	Govt. Sec. 6
3.	Alteration of market area and of items of agricultural produce under regulation.	Govt. Sec. 3(4)	Govt. Sec. 4(3)	Director Sec. 6(5)	Govt. Sec. 7	Govt. Sec. 4	Govt. Sec. 4(3)	Govt. Sec. 5	Govt. Sec. 4(5)	Govt. Sec. 4(5)	Govt. Sec. 4(5)	Govt. Sec. 8(i)
4.	Declaration of markets, market yards, market sub-yards and sub-market yards.	Govt. Sec. 4(3)	Govt. Sec. 5	Director Sec. 7	Govt. Sec. 5(4)	Govt. Sec. 3(4)	Govt. Sec. 4(3)	C.M.O. Sec. 6	Govt. Rule 46	Govt. Sec. 7(2)	Govt. Sec. 5(2)	Govt. Sec. 7

5.	Establishment of markets	•	••	••	Direc- tor Sec. 9(2)	••	••	Direc- tor Sec. 5(2)	C.M.O. Sec. 7	••	••	••	••
6.	Establishment of market com- mittee and its incorporation.	Govt. Sec. 4(1)	Govt. Sec. 6	Govt. Sec. 5(1)	Direc- tor Sec. 9(1)	Govt. Sec. 5(1)	Govt. Sec. 8(1)	Direc- tor Sec. 5(2)	Govt. Sec. 9	Govt. Sec. 5	Govt. Sec. 11	Govt. Sec. 6	Govt. Sec. 12(1)
7.	Acquiring or transferring any immovable property of the market committee.	Govt. Sec. 4 (1)	Govt. Sec. 17	Govt. Sec. 13	Direc- tor Sec. 10(1)	Govt. Sec. 12	Govt. Sec. 12	Govt. Sec. 12	C.M.O. Sec. 9(2)	Govt. Sec. 7	Govt. Sec. 18	Govt. Sec. 8	Direc- tor Sec. 12(1)
8.	Constitution of the first market committee.	Govt. Sec. 5(1)	Govt. Sec. 8(1)	Govt. Sec. 8(5)	Govt. Sec. 11(5)	Govt. Sec. 8(3)	Govt. Sec. 13(2)	Govt. Sec. 13(2)	Govt. Sec. 10(i)	Govt. Sec. 6(2)b	Govt. Sec. 12(4)	Govt. Sec. 7(2)b	Govt. Sec. 14(1)
9.	Nomination of Chairman and the Vice-Chairman.	••	Govt. Sec. 8(2)	Govt. Sec. 11(5)	Govt. Sec. 11(5)	Govt. Sec. 8(6)	Govt. Sec. 13(2)	Govt. Sec. 10(2)	Govt. Sec. 6(6)	Govt. Sec. 12(4)	Govt. Sec. 7	Govt. Sec. 2(b)	Govt. Sec. 14(i)
10.	Power to extend the term of the market committee members.	Govt. Sec. 6(2)	••	Govt. Sec. 8(5)ii	Govt. Sec. 14(3)	Govt. Sec. 10(4)	Govt. Sec. 10(4)	Govt. Sec. 10(4)	Govt. Sec. 10(4)	••	••	Govt. Sec. 14(2)	Govt. Sec. 14(2)
11.	Power to fill up the vacancy that may arise in the market com- mittee.	Govt. Sec. 8(2)	••	Direc- tor Sec. 15	Govt. Sec. 1(i)iii	Govt. Sec. 10(4)e	Govt. Sec. 17(f)	Govt. Sec. 17(f)	Govt. Sec. 17(f)	••	••	••	••
12.	Superintendence, direction and control of elections.	Dy. Direc- tor	Dy. Direc- tor	Dy. Direc- tor	Dy. Direc- tor	Dy. Direc- tor	Dy. Direc- tor	Dy. Direc- tor	Dy. Commr. Sec. 13(f)	••	••	••	••

APPENDIX VII—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
13.	Authority to determine the territorial extent of the agriculturist constituency.	Direc- tor Sec. 2(4)	Direc- tor Rule 26	..	..	..	Collec- tor	Dy. Commr. Sec. 14(2)	..	..	..	..
14.	Constituency or institution failing to return representatives— powers for nomination.	Govt. Sec. 5(ii)	Govt. Sec. 12	Direc- tor Sec. 11(3)	..	Govt. Sec. 8(2)	Direc- tor Sec. 14(2)	Govt. Sec. 18	Govt. Sec. 6(2)a	Govt. Sec. 12(3)	Govt. Sec. 7(2)	Govt. Sec. 13(ii)
15.	Acceptance of resignation of Chairman or Vice-Chairman.	..	Direc- tor Rule 33	Direc- tor Sec. 12	M.C. Rule 5	Direc- tor Rule 31	Direc- tor Sec. 16(i)	C.M.O. Sec. 43	..	Govt. Rule 11	Direc- tor Rule 35A	Direc- tor Rule 37
16.	Power to remove Chairman or Vice-Chairman after a no- confidence motion has been passed by the market com- mittee or due to misconduct, etc.	..	Govt. Sec. 14(i)	Direc- tor Sec. 13	Govt. Sec. 11(7)	Govt. Sec. 27	Govt. Sec. 17	C.M.O. Sec. 44(2)	Govt. Sec. 19(i)	Govt. Sec. 15	Govt. Sec. 23	Govt. Sec. 28
17.	Appointment of Secretary	..	Govt. Sec. 20(i)	Direc- tor Sec. 22(ii)	Govt. Rule 167	Direc- tor Rule 38	Direc- tor Rule 92(2)	Govt. Sec. 58(i)	Direc- tor Sec. 33(4)	Board Sec. 20(i)	Govt. Rule 43(i)	Govt. Sec. 23(2)

18.	Appointment of Assistant Secretary and other technical staff.	Govt. Sec. 20(2)	M.C. Sec. 22(2)	M.C. Rule 186	..	..	Govt. Sec. 58(2)	..	..	Govt. Sec. 23(3)
19.	Appointment of accounts and audit staff in the market committee.	..	..	M.C. Rule 186	..	..	Govt. Sec. 58(3)	..	..	..
20.	Withdrawal or transfer of Secretary from office.	..	..	Govt. Rule 178	..	..	C.M.O. Sec. 60	Director Sec. 3(ii)	..	Director Rule 59(5)
21.	Power to grant or refuse licences to market functionaries.	M.C. Sec. 7(i)	M.C. Sec. 27(i)	M.C. Sec. 6(i)	M.C. Sec. 17(i) & (ii)	M.C. Sec. 7(i)29	M.C. Sec. 72(i)	M.C. Sec. 12(i)	M.C. Sec. 14	M.C. Sec. 17(i)
22.	Appointment of sub-committee and delegation of powers.	M.C. Sec. 8	M.C. Sec. 25(i)	M.C. Sec. 14	M.C. Sec. 16	M.C. Sec. 30	M.C. Sec. 64	M.C. Sec. 8	M.C. Sec. 10	M.C. Sec. 17(vii)
23.	Levy of market fees	M.C. Sec. 12(ii)	M.C. Sec. 28	M.C. Sec. 18(i)	M.C. Sec. 20	M.C. Sec. 31	M.C. Sec. 65	M.C. Sec. 11	M.C. Sec. 17	M.C. Sec. 17(iii)
24.	Power to order production of accounts and power of entry, inspection and seizure.	..	M.C. Sec. 29	..	..	..	M.C. Secs. 66, 126	..	..	M.C. Sec. 36
25.	Powers to stop vehicles	..	..	MC Sec. 18(4)	..	..	MC Sec. 67	..	..	M.C. Sec. 36

APPENDIX VII—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
26.	Power to borrow, subject to approval by Government.	M.C. Sec. 18(i)	M.C. Sec. 28(i)	..	M.C. Sec. 23(i)	M.C. Sec. 18	M.C. Sec. 32(i)	M.C. Sec. 68	M.C. Sec. 14(i)	M.C. Sec. 32 (1, 2, 3)	M.C. Sec. 20 (i) & (ii)	M.C. Sec. 17(v)
27.	Powers to acquire lands for the market committee.	..	Govt. Sec. 40	Govt. Sec. 47	..	Govt. Sec. 13	..	Govt. Sec. 69	Govt. Sec. 17	Govt. Sec. 34(1)	Govt. Sec. 21	..
28.	Composition of offence .	..	..	..	M.C. Sec. 27	Govt. Sec. 37	..	M.C. Sec. 70	..	M.C. Sec. 46	..	..
29.	Power to write off irrecoverable fec.	M.C. Sec. 24	..	..	M.C. Sec. 31	..	..	Govt. Sec. 71	..	M.C. Sec. 45	..	M.C. Sec. 20
30.	Power to cancel or suspend licences.	M.C. Sec. 7(4)b	M.C. Sec. 18(iv)	M.C. Sec. 27(i)	M.C. Sec. 6(4)b	M.C. Sec. 17(i)(ii)	M.C. Sec. 8, 29	M.C. Sec. 73(1)	M.C. Sec. 12(1)	M.C. Sec. 13(3)	M.C. Sec. 15	M.C. Sec. 17(ii)
31.	Power to hear appeals against the market committee, Chairman or Secretary.	..	Dy. Dir. Rule 74	Director Sec. 27(5)	..	Director Rule 74	Director Sec. 9(a)	C.M.O. Sec. 74(a)	..	..	Director Sec. 16	..

32. Authority to approve the method of sale of agricultural produce.	..	Govt. Sec. 15	..	..	..	C.M.O. Sec. 76	..	..	..
33. Authority to ensure uniform deductions in all the markets of the State.	..	..	..	..	..	C.M.O. Sec. 80 (3)	..	..	..
34. Power of committee and Chairman to impose penalties.	..	..	..	..	..	M.C. Sec. 89	..	..	..
35. Authority to hear appeals against the penalties imposed by committee/Chairman.	..	..	..	..	..	C.M.O. Sec. 89(2)	..	..	..
36. Power to settle all disputes between the seller and the buyer.	..	M.C. Sec. 18(vi)	..	..	..	M.C. Sec. 10(i) 63(2) viii	M.C. Rule 31	M.C. Sec. 9(a)	..
37. Power to prosecute persons for violating the provisions of the Act.	..	M.C. Sec. 18(vi)	..	..	..	M.C. Sec. 29(2)e	M.C. Sec. 63 (2)b (ii)	M.C. Sec. 13 b,c 9(b)	M.C. Sec. 16(2) (xii)
38. Power to acquire, hold and dispose of any movable or immovable property.	..	..	..	..	..	M.C. Sec. 9(2)h	..	..	..
39. Authority to direct investment of market committee funds.	..	..	..	..	..	C.M.O. Sec. 90(3)d	..	..	..

APPENDIX VII—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
40.	Authority to decide the contribution by market committees towards the consolidated fund.	..	..	Govt. Sec. 34	..	..	..	C.M.O. Sec. 91(2)	..	..	..	..
41.	Establishment of more markets and market committees for special commodities.	..	..	Director Sec. 9(2)	..	..	..	C.M.O. Sec. 96	..	..	..	..
42.	Declaration of market for special commodities.	..	..	..	..	..	..	Govt. Sec. 96(2)	..	..	..	..
43.	Setting up of a State Marketing Board.	..	..	..	..	..	..	Govt. Sec. 100	..	..	..	..
44.	Grants to State Marketing Board	..	..	..	..	..	..	Govt. Sec. 109	..	..	..	..
45.	Inspection, enquiry, submission of statements.	Director Sec. 27(i)	Director Sec. 35	Director Sec. 44(i)	..	Director Sec. 26	Director Sec. 40	C.M.O. Sec. 123	..	Director Sec. 3(10)	..	Director Sec. 27(2)

46.	Power to call for information from officers and servants and members of the committee during investigations.	..	Direc- tor Sec. 35(2)	Direc- tor Secs. 44(2),13	..	..	Direc- tor Sec. 41	C.M.O. Sec. 124	..	Board Sec. 33(1)	Direc- tor Sec. 26	..
47.	Seizure of account books and other documents of the market committee.	..	..	Direc- tor Sec. 47	..	..	Direc- tor Sec. 42	C.M.O. Sec.125	..	..	..	..
48.	Power to call for proceedings of market committee and to pass orders thereon.	..	Govt. Sec. 38	Govt. Sec. 46	Govt. Sec. 34	Govt. Sec. 41	Govt. Sec. 43	Govt. Sec. 126	Govt. Sec. 25	Govt. Sec. 33	Govt. Sec. 39	Govt. Sec. 33
49.	Power to supersede the market committee.	Govt. Sec. 22(i)	Govt. Sec. 32	Govt. Sec. 44(i)	Govt. Sec. 24	Govt. Sec. 28	Govt. Sec. 45	Govt. Sec. 127	Govt. Sec. 20(i)	Govt. Sec. 35(i)	Govt. Sec. 27	Govt. Sec. 29
50.	Liability of members, officers and employees of market committee for loss, waste, misappropriation, etc.	Direc- tor Sec.19 (i)	..	M.C. Sec. 48	..	M.C. Sec. 23	..	C.M.O. Sec. 128	..	..	M.C. Sec. 24	..
51.	Liability of Chairman, Vice-Chairman and members for removal from office.	Govt. Sec. 5(5)(7)	Govt. Sec. 14	Direc- tor Sec.13	Govt. Sec. 37(i)	Govt. Sec. 27	Govt. Sec. 17	Govt. Sec. 129	Govt. Sec. 19(i)	Govt. Sec. 15	Govt. Sec. 23	Govt. Sec. 28(1)
52.	Administrator to exercise powers and perform duties of market committees in certain cases.	Govt. Sec. 6(3)a	Govt. Sec. 37	Direc- tor Sec. 43(2)	Govt. Sec. 24(3)	Govt. Sec. 28(3)	Govt. Sec. 30	Govt. Sec. 130	Govt. Sec. 20(2)	Govt. Sec. 45(2)	Govt. Sec. 27(2)	Govt. Sec. 30(2)

APPENDIX VII—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
53.	Recovery of sums due to Government from market committee.	Govt. Sec. 26(i)	Govt. Sec. 43	Govt. Sec. 49	Govt. Sec. 33	Govt. Sec. 42	Govt. Sec. 57(2)	C.M.O. Sec. 131	Govt. Sec. 42	Govt. Sec. 41	Govt. Sec. 34	Govt. Sec. 35
54.	Powers to exempt certain classes of co-operative societies from the provisions of the Act.	..	..	..	..	..	..	Govt. Sec. 133	..	..	..	..
55.	Delegation of powers of State Government and Chief Marketing Officer.	..	Govt. Sec. 51	..	..	Govt. Sec. 34	Govt. Sec. 58	Govt. Sec. 140	Govt. Sec. 29	Govt. Sec. 3(17)	Govt. Sec. 35	Govt. Sec. 33
56.	Denotification of a market area	..	..	Govt. Sec. 50	..	Govt. Sec. 4(i)	..	Govt. Sec. 143	..	Govt. Sec. 6(2)	..	..
57.	Power to divide market area into two or more separate market areas.	..	..	Govt. Sec. 52	..	..	..	Govt. Sec. 145	..	..	..	..
58.	Powers to frame rules	Govt. Sec. 32	Govt. Sec. 52	Govt. Sec. 57	Govt. Sec. 29	Govt. Sec. 38	Govt. Sec. 60	Govt. Sec. 146	Govt. Sec. 27(i)	Govt. Sec. 43	Govt. Sec. 36	Govt. Sec. 40
59.	Power to frame bye-laws, after the prior approval of competent authority.	Govt. Sec. 33(i)	Director Sec. 33	Director Sec. 58	M.C. Sec. 30	M.C. Sec. 39	M.C. Sec. 61(i)	M.C. Sec. 148	M.C. Sec. 28(i)	M.C. Sec. 44(i)	Govt. Sec. 37	M.C. Sec. 39

60. Power to frame bye-laws for the market first established.	..	..	..	..	..	C.M.O. Sec. 149	..	..	..
61. Power to direct the making or amending of bye-laws.	Govt. Sec. 34(1)	..	Director Sec. 59	..	..	C.M.O. Sec. 150	..	Board Sec. 44(2)	Director Sec. 38
62. Power to award costs in proceedings while applying for revision or after enquiry.	Director Sec. 27(4)	..	..	..	..	C.M.O. Sec. 128	..	..	Govt. Sec. 32
63. Power of market committee to employ necessary staff.	M.C. Sec. 10(c)	M.C. Sec. 20(4)	M.C. Sec. 22(2)	M.C. Sec. 16(1)	M.C. Sec. 24	M.C. Sec. 63(2) a xiii Sec. 61(1)	M.C. Sec. 9(1)	M.C. Sec. 20(2)	M.C. Sec. 11
64. Declaration of notified market area.	Govt. Sec. 4(4)	..	..	..	..	..	..	..	..
65. Alteration of notified market area.	Govt. Sec. 4(5)	..	..	..	..	..	..	..	..
66. Powers to reconstitute the market committee.	Govt. Sec. 6(6)	Govt. Sec. 33(ii)	Govt. Sec. 44(i)	Govt. Sec. 24.3(b)	Govt. Sec. 28(3)	Govt. Sec. 45(2)c	Govt. Sec. 20(2)ii	Govt. Sec. 35(3)b	Govt. Sec. 27(2)
67. Powers to exempt specified persons, articles or trades from the provisions of the Act.	Govt. Sec. 34	Govt. Sec. 42	Sec. 63	..	Director Sec. 9	..	..	..	..

APPENDIX VII—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
68.	Power to convene meetings	Director Sec. 9(1)2	Director Rule 98	..	..	Director Sec. 9	Director Sec. 15(2)	..	..	..	..	..
69.	Powers to fix remuneration for persons appointed by Government under clause 5(6)3(a). 3(c)	Govt. Secs. 5(6), 3(c)	..	..	..	..	..	..	..	..	..	..
70.	Powers to determine the cost of Government staff employed in market committee.	Govt. Sec. 14(b)	Govt. Sec. 20(3)	Govt. Sec. 22(2)	Govt. Sec. 16(2)	..	Govt. Rule 92(7)	..	Govt. Sec. 9(2)	Board Sec. 20(2)	Govt. Sec. 11(2)	..
71.	Powers to revise the decisions of the market committee.	Govt. Sec. 27(1)	..	..	..	..	..	..	..	..	..	..
72.	Powers to suspend the execution of the decision of the market committee.	Govt. Sec. 27(2)	..	..	..	..	..	..	..	..	..	Govt. Sec. 31(2)
73.	Power to grant loans to other market committees subject to approval by Government.	M.C. Sec. 14(3)	..	..	..	..	..	..	..	..	..	..
74.	Levy of subscription for market committee report.	M.C. Sec. 13	..	..	M.C. Sec. 19	..	..	..	..	..	..	..

APPENDIX VII—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
83.	Powers to remove unauthorised persons from the market.	..	..	M.C. Sec. 30(i)	..	..	..	..	..	..	..	..
84.	Power to entrust the management of markets to co-operatives.	..	..	..	Govt. Sec. 5(2)b	Govt. Sec. 10	..	..	..	..	Govt. Sec. 9(2)b	..
85.	Disputes regarding the validity of the election of a Chairman or Vice-Chairman.	..	..	..	..	..	Govt. Sec. 22(4)	..	..	..	..	Director 13(12)
86.	Directive to hand over charge of the office to outgoing Chairman/Vice-Chairman in case of refusal.	..	..	..	..	..	Director Sec. 26(2)	..	..	..	..	..
87.	Certain disputes regarding construction of rules, etc., about weights and measures to be decided by the market committee.	..	..	M.C. Sec. 3(1)	..	..	M.C. Sec. 34(i)	..	M.C. Sec. 13(i)	..	..	..
88.	Power to operate and utilise the market committee fund for all or any purpose.	M.C. Sec. 14(i)	M.C. Sec. 29	M.C. Sec. 32	M.C. Sec. 20(i)	M.C. Sec. 21	..	..	M.C. Sec. 15(i)	M.C. Sec. 27(i)	M.C. Sec. 18	M.C. Sec. 17(iv)

89. Power to determine whether a person is an agriculturist or not in the case of a dispute.	Director Sec. 2(iv)	Director Sec. 2(2)	Director Sec. 3(i)	..	Collector Sec. 2(2)	..	..	..	Director Sec. 2
90. Power to register names of elected member or nominated ones.	..	..	..	..	..	..	..	..	Director Sec. 13(4)
91. Power to exempt market committee, etc., from provisions of the Act.	..	..	..	..	..	Govt. Sec. 59	..	..	..

NOTE:— 'M.C.' means Market Committee.

'C.M.O.' means Chief Marketing Officer.



APPENDIX VIII

Application form for grant of licence under the U.P. Markets Act, 196.

FORM No. XII

(See Rule 70(1))

*Application for licence under Section 9 of the Uttar Pradesh Krishi
Utpadan Mandi Adhiniyam, 1964*

To

The Chairman,
Market Committee.

(Through the Secretary, Market Committee)

Sir,

The particulars of my business are given below :

- (1) Name of the applicant
- (2) Father's name
- (3) Address
- (4) Person/Firm on whose behalf
licence is applied for.
- (5) Place of business and details
of premises.
- (6) In the case of firm, state
whether registered or not. If
registered, give particulars of
registration.
- (7) Name(s) of the proprietor/
proprietors and manager of
the firm.
- (8) Purpose for which licence
is sought.
- (9) Whether the person/firm de-
sires to carry on business or
work in the Market Area or
Market Yard.
- (10) Has the person or firm on
whose behalf licence is sou-
ght, been issued a licence
singly or in collaboration with
any other person or firm in
any capacity by the same or
any other Market Committee? If so, give full parti-
culars.

APPENDIX VIII—*contd.*

- (11) Has any licence issued by any Market Committee been suspended or cancelled during the last five years? If so, give full particulars including reasons for such suspension or cancellation.
- (12) Agricultural year for which licence is required.
- (13) Details of employees working in the market area/market yard.
- (14) Details of godowns and other storage premises—particulars, capacity and location.
- (15) Previous licence No. and date (in the case of renewal).

I CERTIFY that the facts stated in the application above are true to the best of my knowledge.

I HEREBY undertake to abide by the conditions of the licence, the provisions of the Uttar Pradesh Krishi U'padan Mandi Adhiniyam, 1964, and Niyamavali and Up-Vidhi made thereunder.

I shall be responsible for all acts, omissions and commissions of my employees and shall intimate the change in them immediately if it so happens.

It is requested that a licence under sub-section (1)/(2) of section 9 of the said Act for the agricultural year.....may kindly be issued/renewed in favour of.....

Place.....

Signature of applicant.

Date.....

To be filled in in the office of the Market Committee

VERIFIED THAT the licence fee has been received, vide receipt No.....dated.....and application has been registered at serial.....at page.....

Accountant,
Market Committee,
Date.....

Secretary,
Market Committee.
Date.....

Order on the Application

Signature of Secretary,
Market Committee.

Signature of Chairman,
Market Committee.

Date.....

Date

APPENDIX IX

Eicence fees prescribed for various categories of market functionaries under different State Markets Acts

Sl. No.	Type of Licence	Bihar	Gujarat	Maharashtra	Mysore	Madras
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Trader/Dealer	..	..	..	Rule 80 (3) Max. of Class A—Rs. 150-00 B—Rs. 100-00 C—Rs. 50-00 D—Rs. 15-00	Rule 12 (1) Max. Rs. 25-00 for each agricultural produce.
2.	Trader—General commission agent and broker.	..	..	Rule 6(1) Max. Rs. 100-00	..	..
3.	Commission agent	..	..	..	Rule 80(3) Max. Rs. 100-00 for each place of business.	..
4.	Commission agent and trader	Rule 71(3) Max. Rs. 100-00 Min. Rs. 50-00	Rule 56(1) Max. Rs. 200-00	..	..	..
5.	Weightman	Rule 73(2) Max. Rs. 10-00 Min. Rs. 5-00	Rule 57 (1) Max. Rs. 10-00	Rule 7(1) Max. Rs. 10-00	Rule 83(2) As prescribed under Bye-laws.	Rule 12(2) Max. Rs. 20-00
6.	Surveyor	Rule 73(2) Max. Rs. 50-00 Min. Rs. 30-00	Rule 57(1) Max. Rs. 10-00	Rule 7(1) Max. Rs. 15-00	Do.	..

7	Measurer	•	•	Rule 73(2) Max. Rs. 10-00 Min. Rs. 5-00	Rule 57(1) Max. Rs. 10-00	Rule 7(1) Max. Rs. 10-00	Do.	•
8	Warehouseman	•	•	Rule 73(2) Max. Rs. 25-00 Min. Rs. 15-00	Rule 57(1) Max. Rs. 10-00	Rule 7(1) Max. Rs. 15-00	Do.	•
9	Processor	•	•	•	•	Rule 7(1) Max. Rs. 100-00	•	•
10	Hamal	•	•	•	Rule 57(1) Max. Rs. 5-00	Rule 7(1) Max. Rs. 3-00	•	•
11	Broker	•	•	Rule 73(2) Max. Rs. 50-00 Min. Rs. 30-00	Rule 57(1) Max. Rs. 50-00	•	Rule 57(1) As prescribed under Bye-laws.	Rule 12(2) Max. Rs. 20-00
12	Carting agent	•	•	•	Rule 57(1) Max. Rs. 100-00	Rule 7(1) Max. Rs. 25-00	•	•
13	Clearing agent	•	•	•	Rule 57(1) Max. Rs. 20-00	Rule 7(1) Max. Rs. 25-00	•	•
14	Palledar	•	•	•	•	•	•	•
15	Broker A Class	•	•	•	•	•	•	•
16	Broker B Class	•	•	•	•	•	•	•
17	Retail Trader	•	•	•	•	•	•	•

APPENDIX IX—contd.

Sl. No.	Type of Licence	Madhya Pradesh	Orissa	Punjab	Rajasthan	Uttar Pradesh*				
						Market area except market yard	Principal market yard			Sub-market yard
							A	B	C	
(1)	(2)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1.	Trader/Dealer	Rule 55 Rs. 50-00	..	Rule 17(2) Rs. 10-00 per annum or Rs. 1-00 per mensem (for each place)	Rule 69(2) Max. Rs. 100-00	Rs. 75-00	Rs. 75-00	Rs. 50-00	Rs. 35-00	Rs. 20-00
2.	Trader—general commission agent and Broker.	..	..	..	..	..	..	..	..	..
3.	Commission agent.	Rule 55 Max. Rs. 50-00	..	..	..	50-00	50-00	35-00	20-00	10-00
4.	Commission agent and traders.	..	Rule 60 (5) As specified in bye-laws.	..	..	100-00	100-00	75-00	50-00	25-00

APPENDIX IX—contd.

(1)	(2)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
14.	Palledar	..	..	Rule 19(4) Re. 0.50 per annum or Re. 0.05 per month or part thereof.	..	2.00	2.00	2.00	2.00	2.00
15.	Broker A Class	..	..	..	..	..	..	..	..	..
16.	Broker B Class	..	..	..	..	..	..	..	..	..
17.	Retail trader	Rule 55 Max. Rs. 12.00	..	..	..	10.00	10.00	10.00	10.00	10.00

*The licence fee is prescribed under Section 67(1) of the Uttar Pradesh Krishi Utpadan Mandi Niyamawali, 1965.

NOTE : In addition to the functionaries mentioned above, the Uttar Pradesh Krishi Utpadan Mandi Niyamawali, 1965, provides for the following licence fees:

	Rs. P.
(1) Village trader	15.00
(2) Ata chakki (power-driven)	5.00
(3) Oil ghani (power-driven)	5.00
(4) Huller (power-driven)	5.00
(5) Sheller	25.00
(6) Expeller	25.00
(7) Ginnery	25.00
(8) Mill/factory	100.00
(9) Truck plier	10.00
(10) Thela plier	2.00

APPENDIX X

Licensing form used for different functionaries under the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963

FORM I

[See Rule 6(2)]

Licence for operating as a trader, commission agent or broker

The *..... Agricultural Produce
Market Committee

Licence is hereby granted to *.....
.....(hereinafter referred to as the licensee)
on payment of a fee of Rs.....for the use
of **.....in the market area or for operating in
the market area for which the said Market Committee is established for
the marketing of †.....as a trader/commission
agent/broker subject to the provisions of the Maharashtra Agricultural
Produce Marketing (Regulation) Act, 1963, the Maharashtra Agricultural
Produce Marketing (Regulation) Rules, 1967, and the Bye-laws of the
said Market Committee and the following conditions, that is to say —

The licensee shall abide by the provisions of the said Act and
Rules and the Bye-laws of the said Market Committee and of the condi-
tions of agreement entered into by the licensee on.....with the
said Market Committee.

2. This licence shall be valid upto and inclusive of the 30th day of
September and shall then expire unless it is renewed.

3. This licence is not transferable.

4. This licence may be suspended or cancelled in accordance with
the provisions of the said Act and the Rules made thereunder.

5. In the event of suspension or cancellation of this licence, the
licensee shall surrender it to the Director/Market Committee.

*Here insert the name as provided by Section 12.

**Here specify the name of place, whether principal market or sub-
sidiary market, etc.

†Here specify the name of declared agricultural produce in relation
to its marketing in the market area or market.

APPENDIX X—contd.

6. The licensee shall carry on business as.....only and at such places for which the licence is issued and unless the licensee carries on any other business under a licence granted under the said rules, shall not carry on any other business of a market functionary in the market area or in any market therein.

7. The licensee shall not adulterate or cause any declared agricultural produce to be adulterated.

8. The licensee shall help the Director/Market Committee in preventing evasion of market fees.

9. (1) The licensee shall not engage the services of any of the assistants except of the following persons in connection with the marketing of the declared agricultural produce, namely :

(Here enter names of assistants engaged by licensee.)

(2) All acts of assistants so engaged shall, in relation to the marketing of the declared agricultural produce, be deemed to be acts done on behalf of the licensee with his express or implied permission.

10. The licensee shall maintain books, registers and records in the manner required by the Director/Market Committee; and shall make them available for inspection to the Director/Chairman, Vice-Chairman, Secretary or any other person authorised by the Market Committee in that behalf.

11. The licensee shall furnish information and returns to the Director/Market Committee as may be required by him/it from time to time.

12. The licensee shall settle the price of agricultural produce according to the manner provided for under the Bye-laws of the Market Committee*[and shall issue account slips or purchase bills according to the provisions of the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967].

*13. The licensee shall, if the declared agricultural produce is sold through his agency or by him, pay to the seller the price of the agricultural produce sold on the same day.

14. The licensee shall not solicit or receive any fees or recover any charges other than those which he is entitled to receive or recover in accordance with the provisions of the Act and the Rules and Bye-laws made thereunder.

15. The licensee shall not make or recover any trade allowance.

**16. The licensee shall not operate as broker in any transaction in respect of any declared agricultural produce other than poultry, cattle, sheep and goats or except between a trader and a trader.

*Not applicable in the case of a broker.

**To be applicable in respect of a broker only.

APPENDIX X—*contd.*

17. The licensee shall provide for authorised weights and measures and shall carry out the weighment at such places as may be approved by the Director/Market Committee.

18. The licensee shall pay to the licensed weighman or measurer and *hamals* only at the rates approved by the Director/Market Committee and shall not employ them for any household or private work.

*19. The licensee shall not purchase either in his own name or jointly for himself and others any declared agricultural produce brought in his *adat* except after fulfilling conditions laid down in rule 8.

20. The licensee shall inform the Director/Market Committee of any change in the partnership of the firm/company, if any.

21. The licensee shall refer all his disputes in relation to the marketing of the declared agricultural produce in the manner provided by the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967.

Place.....

Date.....

Director of Agricultural Marketing and
Rural Finance for the State of Maharashtra.

ChairmanAgricultural
Produce Market Committee.

Renewal of licence

Date of renewal	Period for which renewed	Signature of Director/ Chairman and date
-----------------	--------------------------	---

NOTE.—Reference to Director should be retained only when the licence is granted by him under the Act. It should be omitted when the licence is granted by a Market Committee.

*To be retained in the case of licences to commission agents only.

APPENDIX X—*contd.*

FORM 2

[See rule 7(3)]

Licence for operating as a weighman measurer

The Agricultural Produce Market Committee

Licence is hereby granted to address.....
 (hereinafter referred to as the
 licensee) for the use of ** in the market area or for
 operating in the market area for which the said Market Committee is
 established (for the marketing of †
 as a weighman/measurer subject to the provision of the Maharashtra
 Agricultural Produce Marketing (Regulation) Act, 1963, the Maharashtra
 Agricultural Produce Marketing (Regulation) Rules, 1967, and the Bye-
 laws of the Market Committee and the following conditions, that is to
 say:—

1. The licensee shall abide by the provisions of the Maharashtra
 Agricultural Produce Marketing (Regulation) Act, 1963, the Maharashtra
 Agricultural Produce Marketing (Regulation) Rules, 1967, and the bye-
 laws of the said Committee and the conditions of the agreement entered
 into by the licensee on with the Market Committee.

2. The licence shall be valid upto and inclusive of 30th September
 19 ; and shall then expire unless it is renewed.

3. The licence is not transferable.

4. The licence shall be liable to be suspended or cancelled in accor-
 dance with the provisions of the Maharashtra Agricultural Produce Mar-
 keting (Regulation) Act, 1963, and the Rules made thereunder.

5. In the event of suspension or cancellation of his licence, the
 licensee shall surrender it to the Director/Market Committee.

6. The licensee shall carry on the business as weighman/measurer
 only and at such places for which the licence is issued and shall not carry
 on any other business of a market functionary in the market area or in
 any market therein.

7. The licensee shall not adulterate or cause any declared agricultural
 produce to be adulterated.

8. The licensee shall help the Market Committee in preventing eva-
 sion of market fees.

*Here insert name as provided by section 12.

**Here specify name of place, whether principal market or subsidiary
 market, etc.

†Here specify the name of the declared agricultural produce in re-
 lation to its marketing in the market area or the market.

APPENDIX X—contd.

9. (1) The licensee shall not engage the services of any assistant except of the following persons in connection with the marketing of the declared agricultural produce, namely

(Here enter names of assistants engaged by licensee.)

(2) All the acts of assistants so engaged shall, in relation to the marketing of the declared agricultural produce, be deemed to be acts done on behalf of the licensee with his express or implied permission.

10. The licensee shall not accept any employment with any commission agent, trader or broker operating in the market area or in any market therein.

11. The licensee shall abide by the decisions of the Market Committee and the instructions of the Chairman, Secretary or any officer authorised by the Market Committee.

12. The licensee shall not remain absent from the market area or any market therein where he ordinarily operates as a weighman or measurer without the previous approval of the officer authorised by the Market Committee in that behalf.

13. The licensee shall wear the badge issued by the Market Committee while operating as weighman/measurer in the market area or any market therein.

14. The licensee shall issue weightment/measurement slips immediately after any declared agricultural produce is weighed/measured according to the provisions of the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967.

Place..... Director of Agricultural Marketing and Rural
Date Finance for the State of Maharashtra.

Chairman, Agricultural Produce
Market Committee.

Renewal of licence

Date of Renewal	Period for which renewed	Signature of the Director/Chairman and date
-----------------	--------------------------	---

NOTE.—Reference to Director should be retained when the licence is granted by him under the Act. It should be omitted when a licence is granted by the Market Committee.

APPENDIX X—contd.**FORM 3**

[See Rule 7(3)]

Licence for operating as a warehouseman

The..... Agricultural Produce Market Committee

Licence is hereby granted to.....
 address.....
 (hereinafter referred to as the licensee) on payment of Rs.....
for the use of *in the market area or for
 operating in the market area for which the said Market Committee is
 established for the marketing of †..... as a warehouseman
 subject to the provisions of the Maharashtra Agricultural Produce
 Marketing (Regulation) Act, 1963, the Maharashtra Agricultural
 Produce Marketing (Regulation) Rules, 1967, and the bye-laws of the
 Market Committee and the following conditions, that is to say:

1. The licensee shall abide by the provisions of the Maharashtra
 Agricultural Produce Marketing (Regulation) Act, 1963, the Maharashtra
 Agricultural Produce Marketing (Regulation) Rules, 1967, the bye-laws
 of the Agricultural Produce Market Committee and the con-
 ditions of agreement entered into by the licensee on with
 the Market Committee.

2. The licence shall be valid upto and inclusive of 30th September
 19 , and shall then expire unless it is renewed.

3. The licence is not transferable.

4. The licence shall be liable to be suspended or cancelled in accor-
 dance with the provisions of the Maharashtra Agricultural Produce Mar-
 keting (Regulation) Act, 1963, and the rules made thereunder.

5. In the event of suspension or cancellation of this licence, the licen-
 see shall surrender it to the Director/Market Committee.

6. The licensee shall carry on business as warehouseman only and
 at such places for which the licence is issued and shall not carry on any
 other business of a market functionary in the market area or in any mar-
 ket therein.

7. The licensee shall register all his places of storage with the Market
 Committee.

8. The licensee shall not adulterate or cause any declared agricul-
 tural produce to be adulterated.

*Here specify name of place, whether principal market or
 subsidiary market.

†Here specify the name of the declared agricultural produce in
 relation to its marketing in the market area or the market.

APPENDIX X—contd.

9. The licensee shall help the Market Committee in preventing evasion of market fees.

10. The licensee shall maintain books, registers and records in the manner required by the Market Committee and shall make them available for inspection to the Chairman, Vice-Chairman, Secretary or any other officer authorised by the Market Committee.

Place.....

Date.....

Director of Agricultural Marketing and Rural
Finance for the State of Maharashtra.

Chairman, Agricultural
Produce Market Committee.

Renewal of licence

Date of renewal	Period for which renewed	Signature of the Direc- tor/Chairman and date
-----------------	-----------------------------	---

NOTE.—Reference to Director should be retained only when the licence is granted by him under the Act. It should be omitted when the licence is granted by a Market Committee.

APPENDIX X—contd.

FORM 4

[See Rule 7(3)]

Licence for operating as a Surveyor/Processor/Carting and Clearing Agent and others operating in a market area or in any market therein

The *.....Agricultural Produce Market Committee

Licence is hereby granted toaddress
.....(hereinafter referred to as the licensee)
on payment of a fee of Rs..... for the use of †.....in
the market area or for operating in the market area for which the
said Market Committee is established as ‡.....
subject to the provisions of the Maharashtra Agricultural Produce
Marketing (Regulation) Act, 1963, the Maharashtra Agricultural Produce
Marketing (Regulation) Rules, 1967, and the bye-laws of the Market
Committee and the following conditions, that is to say:—

1. The licensee shall abide by the provisions of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967, and the bye-laws of the said Committee and the conditions of agreement entered into by the licensee on.....with the Market Committee.

2. The licence shall be valid upto and inclusive of 30th September 19 ; and shall then expire, unless it is renewed.

3. The licence is not transferable.

4. The licence shall be liable to be suspended or cancelled in accordance with the provisions of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, and the rules made thereunder.

5. In the event of suspension or cancellation of this licence, the licensee shall surrender it to the Director/Market Committee.

6. The licensee shall carry on business as †.....only and at such places for which the licence is issued and shall not carry on any other business of a market functionary in the market area or any market therein.

7. The licensee shall not adulterate or cause any declared agricultural produce to be adulterated.

*Here insert the name of Committee as provided by Section 12.

†Here specify name of place, whether principal market or subsidiary market, etc.

‡Here insert Surveyor, Processor, etc.

APPENDIX X—*contd.*

8. The licensee shall help the Market Committee in preventing evasion of market fees.

Place.....

Date.....

Director of Agricultural Marketing
and Rural Finance for the State
of Maharashtra.

Chairman.....Agricultural
Produce Market Committee.

Renewal of licence

Date of renewal	Period for which renewed	Signature of the Director/Chairman with date
<hr/>		



NOTE.—Reference to Director should be retained only when the licence is granted by him under the Act. It should be omitted when the licence is granted by a Market Committee.

APPENDIX X—contd.

FORM 5

[See Rule 7(3)]

*Licence for operating as Assistant to Commission Agent/Trader/Broker
Carting and Clearing Agent/Processor to operate in market area
or in any market therein*

The * Agricultural Produce Market Committee

Licence is hereby granted to address
..... (hereinafter referred to as the licensee) on
payment of a fee of Rs. for the use of †
in the market area or for operating in the market area for which the said
Market Committee is established as an assistant to ‡
.... subject to the provisions of the Maharashtra Agricultural Produce
Marketing (Regulation) Act, 1963, the Maharashtra Agricultural Produce
Marketing (Regulation) Rules, 1967, and the bye-laws of the Market
Committee and the following conditions, that is to say—

1. The licensee shall abide by the provisions of the Maharashtra
Agricultural Produce Marketing (Regulation) Act, 1963, the Maha-
rashtra Agricultural Produce Marketing (Regulation) Rules, 1967, the
bye-laws of the said Committee and the conditions of the agreement
entered into by the licensee on with the Market
Committee.

2. The licence shall be valid upto and inclusive of 30th September,
19 , and shall then expire, unless it is renewed.

3. The licence is not transferable.

4. The licence shall be liable to be suspended or cancelled in
accordance with the provisions of the Maharashtra Agricultural Pro-
duce Marketing (Regulation) Act, 1963, and the rules made thereunder.

5. In the event of suspension or cancellation of this licence, the
licensee shall surrender it to the Director/Market Committee.

6. The licensee shall carry on business as assistant to ‡
and at such places only for which the licence is issued and shall not carry
on any other business of a market functionary in the market area or
in any market therein.

7. The licensee shall not adulterate or cause any declared agri-
cultural produce to be adulterated.

*Here state name of committee as provided by Section 12.

†Here specify name of place, whether principal market or subsidiary
market, etc.

‡Here insert commission agent, trader, etc.

APPENDIX X—contd.

8. The licensee shall help the Market Committee in preventing evasion of market fees.

Place.....

Date.....

Director of Agricultural Marketing
and Rural Finance for the State
of Maharashtra.

Chairman,Agricultural
Produce Market Committee.

Renewal of licence

Date of renewal	Period for which renewed	Signature of the Director/ Chairman with date
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NOTE.—Reference to Director should be retained only when the licence is granted by him under the Act. It should be omitted when licence is granted by a Market Committee.

APPENDIX X—*contd.*

FORM 6

[See Rule 7(3)]

Licence for operating as a hamal

The *.....Agricultural Produce Market Committee

Licence is hereby granted to.....address.....
(hereinafter referred to as the licensee)
 on payment of a fee of Rs. for the use of in
 the market area or for operating in the market area for which the said
 Market Committee is established as a *hamal* subject to the provisions
 of the Maharashtra Agricultural Produce Marketing (Regulation) Act,
 1963, the Maharashtra Agricultural Produce Marketing (Regulation)
 Rules, 1967, and the bye-laws of the Market Committee and the follow-
 ing conditions, that is to say—

1. The licensee shall abide by the provisions of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, the Maharashtra Agricultural Produce Marketing (Regulation) Rules, 1967, the bye-laws of the said Committee and the conditions of agreement entered into by the licensee on.....with the Market Committee.
2. The licence shall be valid up to and inclusive of 30th September, 19 , and shall then expire, unless it is renewed.
3. The licence is not transferable.
4. The licence shall be liable to be suspended or cancelled in accordance with the provisions of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, and the rules made thereunder.
5. In the event of suspension or cancellation of this licence, the licensee shall surrender it to the Director/Market Committee.
6. The licensee shall carry on business as *hamal* only and at such places for which the licence is issued and shall not carry on any other business of market functionary in the market area or in any other market therein.
7. The licensee shall not adulterate or cause any declared agricultural produce to be adulterated.
8. The licensee shall help the Market Committee in preventing evasion of market fees.
9. The licensee shall not accept any employment with any commission agent, trader or broker operating in the market area or in any market therein.

*Here insert the name of Committee as provided by Section 12.

†Here specify name of place, whether principal market or subsidiary market, etc.

APPENDIX X—contd.

10. The licensee shall *abide* by the decisions of the Market Committee and the instructions of the Chairman, Secretary or any officer authorised by the Market Committee in that behalf.

11. The licensee shall not remain absent from the market area or any market therein where he ordinarily operates as a *hamal*, without the previous approval of the officer authorised by the Market Committee.

12. The licensee shall wear the badge issued by the Market Committee while operating as *hamal*.

Place.....

Director of Agricultural Marketing
and Rural Finance for the State
of Maharashtra.

Date.....

Chairman.....Agricultural
Produce Market Committee.

Renewal of licence

Date of renewal	Period for which renewed	Signature of the Director/ Chairman and date
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NOTE.—Reference to Director should be retained only when the licence is granted by him under the Act. It should be omitted when the licence is granted by a Market Committee.

APPENDIX X—*contd.*

FORM 7

[See Rule 7(3)]

Licence for operating as *.....

The †.....Agricultural Produce Market Committee

Licence is hereby granted to.....
 address..... (hereinafter referred to as the licensee)
 on payment of Rs..... for the use of ‡.....in
 the market area or for operating in the market area for which the
 said Market Committee is established as *.....
 subject to the provisions of the Maharashtra Agricultural Produce
 Marketing (Regulation) Act, 1963, the Maharashtra Agricultural
 Produce Marketing (Regulation) Rules, 1967, and the bye-laws of the
 Market Committee and the following conditions, that is to say —

1. The licensee shall abide by the provisions of the Maharashtra
 Agricultural Produce Marketing (Regulation) Act, 1963, the Maha-
 rashtra Agricultural Produce Marketing (Regulation) Rules, 1967, and
 the bye-laws of the said Committee and the conditions of agreement
 entered into by the licensee on with the Market
 Committee.

2. The licence shall be valid up to and inclusive of 30th September
 19... and shall then expire unless it is renewed.

3. The licence is not transferable.

4. The licensee shall be liable to be suspended or cancelled in
 accordance with the provisions of the Maharashtra Agricultural Produce
 Marketing (Regulation) Act, 1963, and the rules made thereunder.

5. In the event of suspension or cancellation of the licence, the
 licensee shall surrender it to the Director/Market Committee.

6. The licensee shall carry on business as *.....
 only and at such places for which the licence is issued and shall not
 carry on any other business of a market functionary in the market area
 or in any market therein.

7. The licensee shall not adulterate or cause any declared agri-
 cultural produce to be adulterated.

8. The licensee shall help the Market Committee in preventing
 evasion of market fee.

*Here enter the category of the functionary for which licence is
 granted.

†Here enter the name of the Market Committee.

‡Here specify the name of the place, whether principal market
 or subsidiary market.

APPENDIX X—*contd.*

9. The licensee shall abide by the decision of the Market Committee and the instructions of the Chairman, Secretaries or any officer authorised by the Market Committee in that behalf.

Place.....

Date.....

Director of Agricultural Marketing
and Rural Finance for the State
of Maharashtra.

Chairman, Agricultural
Produce Market Committee.



APPENDIX XI

Market charges prescribed by the Hubli Market Committee, Mysore State

A.

Item of charge	Unit	Cotton (ungin- ned)	Cotton (gin- ned)	Recover- able from	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
		Rs. P.	Rs. P.		
1. Commission	Rs. 100 of sale proceeds.	0.78	0.78	Both seller and buyer.	
2. Brokerage	100 quintals	1.56	3.00	Buyer	
3. Weightment	Andagi	0.03	0.03	Seller	If the produce is to be re-weighed, the wei- ghing charges shall be recovered from the party demanding re-weighment.
3.(a) Wighment	Bale	..	0.06	Seller	
4. Survey	100 Andagi	1.56	1.56	Seller	
5. Hamali	Andagi	0.09	0.06	Seller	
5.(a) Dearness allowance to hamals.	Andagi	0.09	0.09	Seller	The above dearness allowance will be in operation till normal conditions set in as determined by the Chief Marketing Offi- cer under a general or special order.
6. Stacking	Andagi	0.03	0.03	Seller	
7. Godown rent:					
(i) For the first month.	Andagi	0.12	0.12	Seller	Fraction of a month shall be treated as one month.
(ii) For subse- quent months.	Andagi	0.09	0.09	Seller	
8. All agricultural produce brought for sale in the market yard shall be insured and charges in this respect shall be determined by the Market Committee from time to time.					
9. Grading fee	Sample	0.62	..	Seller	
9.(a) Grading fee	Andagi	0.06	..	Seller	For the service of hamali.

APPENDIX XI—contd.

B.

Item of charge	Unit	Groundnut		Saf- flower	Sesa- mum	Recoverable from
		Unshelled	Shelled			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Rs. P.	Rs. P.	Rs. P.	Rs. P.	
1. Commission .	Rs. 100 of sale proceeds.	0.78	0.78	0.78	0.78	Buyer and seller.
2. Brokerage .	Rs. 100 of sale proceeds.	0.50	0.50	..	..	Buyer only.
3. Weighment .	100 bags	0.78	1.56	1.56	1.56	Seller only.
4. <i>Hamali</i> (Unloading, pouring out, refilling, putting on pan for weighing, stacking and delivery at seller's ex-godown.)	Bag.	..	0.16	0.16	0.16	Seller only.
<i>Hamali</i> (Pouring out, refilling, weighing, sewing, pulling and stacking.)	Bag.	0.06	..	..	..	Seller only.
4.(a) Unloading	Bag.	0.03	..	..	..	Seller only.
5. Godown .	100 bags per month.	1.56	1.56	1.56	1.56	Seller only.
6. Sieving .	Bag of 75 to 80 kilograms.	..	..	0.05	..	Buyer.

C.

Item of charge	Unit	Linseed, niger seed, castor seed	Gram, tur, mug, udid, kulthi, ragi	Onion, potato	Recoverable from
(1)	(2)	(3)	(4)	(5)	(6)
		Rs. P.	Rs. P.	Rs. P.	
1. Commission .	Rs. 100 of sale proceeds.	0.78	0.78	..	Both seller and buyer.
Commission .	Rs. 10 of sale proceeds.	..	..	0.23	Both seller and buyer.
2. Brokerage .	Rs. 100 of sale proceeds.	1.00	1.00	1.00	Buyer only.
3. Weighment .	100 bags	1.56	1.56	1.56	Seller only.
4. <i>Hamali</i> .	Bag	0.12	0.12	0.12	Seller only.
5. Sieving .	Bag	..	0.05	..	Buyer only.
6. Godown .	Bag per month.	0.03	0.03	0.03	Seller only.

APPENDIX XI—*contd.*

D.

Item of charge	Unit	Jowar, wheat, bajri, navani and paddy (husked)	Coriander and paddy (un- husked)	Recoverable from
(1)	(2)	(3)	(4)	(5)
		Rs. P.	Rs. P.	
1. Commission . . .	Rs. 100 of sale pro- ceeds.	0-78	0-78	Both: buyer and seller.
2. Brokerage . . .	Rs. 100 of sale pro- ceeds.	1-00	1-00	Buyer only.
3. Weighment . . .	100 bags	1-56	1-56	Seller only.
4. <i>Hamali</i> (including stacking). . .	Bag	0-12	0-06	Seller only.
5. Sieving . . .	Bag	0-05	..	Buyer only (if sieving is done).
6. Godown rent . . .	Bag per month	0-03	0-03	Seller only.

E.

Item of charge	Unit	Chilli		Recoverable from
		Dry	Green	
(1)	(2)	(3)	(4)	
		Rs. P.	Rs. P.	
1. Commission . . .	Rs. 100 of sale pro- ceeds.	0-78	..	Buyer and seller.
2. Commission . . .	Rs. 10 of sale pro- ceeds.	..	0-23	Buyer and seller.
3. Weighment . . .	100 bags	1-56	1-56	Seller only.
4. Weighment . . .	<i>Andagi</i>	0-03	..	Seller only.
5. Brokerage . . .	Rs. 100 of sale pro- ceeds.	1-00	1-00	Buyer only.
6. <i>Hamali</i> (including stacking). . .	Bag	0-06	0-06	Seller only.
7. <i>Hamali</i> . . .	<i>Andagi</i>	0-12	..	Seller only.
8. Godown rent . . .	Bag per month	0-03	0-03	Seller only.
9. Godown rent . . .	<i>Andagi</i> per month	0-06	..	Seller only.

APPENDIX XII

*Form of agreement executed by the buyer under the Rules of
Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964*

FORM X

[See Rule 78(1)]

Form of Agreement

Book No.....

Serial No.....

Name of Market Yard.....

Name of seller and village	Name of com- mission agent, if any, with licence number	Name of the pur- chaser or his agent	Name of agricul- tural produce sold	Appro- ximate quantity	Rate at which sold
(1)	(2)	(3)	(4)	(5)	(6)

I hereby agree to take delivery of the above agricultural produce at the rate specified against it in column No. 6 and have no right to retract from this rate. I further abide by the provisions of Sub-rules (7) and (9) of Rule 76 of the Uttar Pradesh Krishi Utpadan Mandi Niyamavali, 1965.

Signature of the purchaser or his
agent.

APPENDIX XIII

*Form of sale slip or tak-patti used in the Agricultural Produce
Market Committee, Sangli*

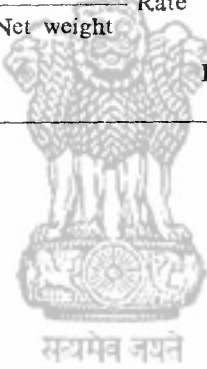
(In triplicate)

**THE AGRICULTURAL PRODUCE MARKET COMMITTEE,
SANGLI**

(Sale slip)

Name of General Commission Agent :

Name of producer-seller	Town	Taluk
Name of purchaser	Name of weighman	
Name of commodity	Place of delivery	

Agree- ment Bond No.	No. of bags	Weighment slip No.	Net weight	Rate	Total Re- amo- marks unt	Rs. P.	Commission..
							
							Hamali
							Weighment charges
							Advance
							Total expen- diture.....
							Net amount after de- duction
							Received amount quoted in sale- slip.....
							Date
							Signature/ thumb impres- sion

Arrival.....Sale Stock.....

Signature of General Commission Agent.

Date.....

APPENDIX XIV

*Form of amanat patti used by the Market Committee,
Hyderabad*

MARKETING DEPARTMENT

AMANAT PATTI : MARKET COMMITTEE, HYDERABAD

NAME OF THE MERCHANT (C. AGENT).....DATE.....

Sl. No.	Name of the seller (agricul- turer)	Name of village	Name of the com- modity	Appro- ximate number of bags	On which vehicle brought	Remarks
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Signature of merchant.

APPENDIX XV

Classification of the reporting market committees based on annual income during 1964-65

(Columns 'A' indicate the number of reporting markets in the group and columns 'B' the percentage share to total)

Thousand rupees	Andhra Pradesh		Bihar		Delhi		Gujarat		Kerala		Madhya Pradesh		Maharashtra	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
0-5	1	3.2	..	..	..	..	..	..	..	..	4	8.2	4	4.8
5-10	4	12.9	2	40.0	..	..	1	2.7	..	..	6	12.2	9	10.9
10-20	8	25.8	1	20.0	..	..	7	18.9	..	..	15	30.6	22	26.5
20-30	5	16.2	..	..	2	100.0	2	5.4	..	..	7	14.3	10	12.0
30-40	3	9.7	1	20.0	..	..	10	27.1	..	..	8	16.3	5	6.0
40-50	2	6.4	1	20.0	..	..	5	13.5	..	..	4	8.2	9	10.9
50-75	3	9.7	..	..	..	..	7	18.9	..	..	4	8.2	11	13.3
75-100	1	3.2	..	..	..	..	2	5.4	..	..	1	2.0	6	7.2
100-150	1	3.2	..	..	..	..	2	5.4	..	..	..	..	4	4.8
150-200	..	..	..	..	..	..	..	..	..	..	..	..	1	1.2
Above 200	3	9.7	..	..	..	..	1	2.7	1	100.0	..	..	2	2.4
TOTAL	31	100.0	5	100.0	2	100.0	37	100.0	1	100.0	49	100.0	83	100.0

APPENDIX XV—*contd.*

Thousand rupees	Tamil Nadu		Mysore		Orissa		Punjab		Rajasthan		Total	
	A	B	A	B	A	B	A	B	A	B	A	B
0—5	.	.	2	4.0	..	..	2	2.1	..	..	13	3.4
5—10	.	.	5	10.0	1	8.3	1	1.1	3	30.0	32	8.4
10—20	.	.	9	18.0	1	8.3	10	10.8	3	30.0	76	20.0
20—30	.	.	5	10.0	5	41.7	16	17.2	2	20.0	54	14.2
30—40	.	.	4	8.0	3	25.0	6	6.4	..	..	40	10.5
40—50	.	.	6	12.0	2	16.7	1	1.1	1	10.0	31	8.2
50—75	.	.	6	12.0	..	..	20	21.5	1	10.0	52	13.7
75—100	.	.	6	12.0	..	..	14	15.1	..	..	31	8.2
100—150	.	.	1	2.0	..	..	12	12.9	..	..	21	5.5
150—200	.	.	2	4.0	..	..	7	7.5	..	..	11	2.9
Above 200	.	.	4	8.0	..	..	4	4.3	..	..	19	5.0
TOTAL	7	100	50	100.0	12	100.0	93	100.0	10	100.0	380	100.0

APPENDIX XVI

Classification of the reporting market committees based on annual expenditure during 1964-65

(Columns 'A' indicate the number of reporting markets in the group and columns 'B' the percentage share to total)

Thousand rupees	Andhra Pradesh		Bihar		Delhi		Gujarat		Kerala		Madhya Pradesh		Maharashtra	
(1)	A	B	A	B	A	B	A	B	A	B	A	B	A	B
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
0—5	2	6.5	1	20.0	..	..	1	2.7	..	..	10	20.4	5	6.0
5—10	6	19.3	2	40.0	..	..	6	16.2	..	..	14	28.6	9	10.9
10—20	6	19.3	1	20.0	2	100.0	4	10.8	..	..	12	24.5	27	32.5
20—30	8	25.8	1	20.0	..	..	11	29.8	..	..	7	14.3	9	10.9
30—40	2	6.5	..	..	..	..	8	21.6	..	..	4	8.2	15	18.1
40—50	1	3.2	..	..	..	..	2	5.4	..	..	1	2.0	7	8.4
50—75	1	3.2	..	..	..	..	4	10.8	..	..	..	..	6	7.2
75—100	2	6.5	..	..	..	..	..	..	..	..	1	2.0	5	6.0
100—150	1	3.2	..	..	..	..	1	2.7	..	..	..	..	..	..
Above 200	2	6.5	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL	31	100.0	5	100	2	100.0	37	100.0	1	100.0	49	100.0	83	100.0

APPENDIX XVI—*contd.*

Thousand rupees	Tamil Nadu		Mysore		Orissa		Punjab		Rajasthan		Total	
	A (16)	B (17)	A (18)	B (19)	A (20)	B (21)	A (22)	B (23)	A (24)	B (25)	A (26)	B (27)
0—5	.	.	2	4.0	1	8.3	3	3.2	..	..	25	6.6
5—10	.	.	8	16.0	1	8.3	9	9.8	3	30.0	58	15.3
10—20	.	.	14	28.0	7	58.4	25	26.9	6	60.0	104	27.4
20—30	.	.	9	18.0	3	25.0	12	12.9	..	..	60	15.8
30—40	.	2	4	8.0	..	..	11	11.8	..	..	46	12.1
40—50	.	.	3	6.0	..	..	13	14.0	1	10.0	28	7.4
50—75	.	.	6	12.0	..	..	11	11.8	..	..	28	7.4
75—100	.	.	2	4.0	..	..	5	5.4	..	..	15	3.9
100—150	.	1	1	2.0	..	..	3	3.2	..	..	6	1.5
150—200	.	2	..	..	..	..	1	1.0	..	..	5	1.3
Above 200	.	2	1	2.0	..	..	..	..	..	..	5	1.3
TOTAL	7	100.0	50	100.0	12	100.0	93	100.0	10	100.00	380	100.0

APPENDIX XVII

Number of grading units working in the regulated markets in different States for various commodities
 (Figures in brackets under the States indicate the total number of grading units)

(1966-67)

Commodity	Number of grading centres functioning for different commodities											Total (197)
	Punjab (13)	Delhi (1)	M.P. (15)	Orissa (4)	Rajas- than (3)	Gujarat (19)	Maha- rashtra (56)	Mysore (30)	Andhra Pradesh (35)	Tamil Nadu (21)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Cotton	7	..	2	..	..	1	..	8	..	1	19
Wheat	13	1	11	..	2	10	14	..	..	..	51
Gram	12	..	9	..	2	1	..	..	..	..	24
Maize	8	..	3	..	..	1	..	..	..	..	12
Paddy	6	..	..	1	..	1	4	1	1	7	21
Mustard	8	..	3	..	..	2	..	..	..	..	13
Groundnut	2	..	4	..	..	4	12	10	2	3	37
Jowar	2	..	6	..	1	..	27	..	..	..	36
Bajra	6	..	2	..	..	3	2	..	..	..	13
Barley	1	..	..	..	..	..	..	..	..	..	1
Arhar	..	..	3	..	..	1	11	..	..	..	15
Masur	..	..	6	..	..	..	..	..	..	..	6
Mung	..	..	5	..	..	..	8	..	..	..	13
Gingelly	..	..	..	..	..	3	..	..	1	..	4

APPENDIX XVIII

Selected court cases relating to Markets Acts

1. Civil Appeals Nos. 169—171 of 1955

M. C. V. S. ARUNACHALA NADAR AND OTHERS—Appellants

Versus

THE STATE OF MADRAS AND OTHERS—Respondents,

Introduction.—These three appeals by certificate granted by the High Court of Madras are directed against the common order of the High Court of Judicature at Madras dated 10th July 1953, dismissing three writ petitions filed by the appellants impugning the validity of the provisions of the Madras Commercial Crops Markets Act (Madras Act XX of 1933), Rules and Bye-laws framed thereunder :

Facts.—The Act was passed to provide for the better regulation of the buying and selling of commercial crops in the State of Madras and for the purpose to establish markets and make rules for their administrations. On March 8, 1952, G. O. No. 356 (Food and Agriculture Department) was issued and in which the Government directed the constitution of a market committee at Virudhunagar and markets at (1) Virudhunagar, (2) Rajapalayam, and (3) Sattur in Ramanathapuram district. The Market Committees were duly constituted, and, on January 9th, 1953, the Market Committee at Virudhunagar issued a notice stating that the Act and the Rules had come into force in that district on January 1st, 1953, and requiring persons who did business in cotton and groundnut to take out licences as provided therein. A further notice dated January 17th, 1953, stated that all traders, who failed to take out licences on or before February 15, 1953, were liable to prosecution. The similar notices dated 22nd January and 15th February 1953 were also issued by the Chairman of Tirunelveli Market Committee calling upon the traders, producers, and weighmen dealing in cotton to take out licences before February 28, 1953, and threatening prosecution for failure to comply therewith. Then the Appellants filed writ petitions in the High Court at Madras against (1) State of Madras, (2) Collectors of concerned districts, and (3) Chairmen of Market Committees for the issue of a writ of mandamus directing respondents to forbear from enforcing the provisions of the Act, Rules and Bye-laws framed thereunder.

A bench of the Madras High Court, consisting of Rajamannar, C. J., by an order dated July 10, 1953, dismissed the applications. The

APPENDIX XVIII—*contd.*

learned judges held that Sec. 5(4) (a) of the Act was void to the extent it conferred on the Collector authority to refuse a licence at his own discretion and Rule 37 was void in so far as it prohibited persons whose names had not yet been registered as buyers and sellers from carrying on business in the notified area. Subject to that the impugned Act and the Rules were upheld, under Art. 19(6) of the Constitution, as a valid piece of marketing legislation. The aforesaid appellants have filed appeals against the order of the High Court in this Supreme Court.

Judgment (Subba Rao, J.): Learned counsel for the appellants contends that the provisions of the Act and the Rules framed thereunder constitute an unreasonable restriction upon the appellants' fundamental right guaranteed under Art. 19(1) (g) of the Constitution to do business and further urged that the provisions cripple the business of appellants, restrict the right of small traders and thereby exceed the purpose of the enactment and defeat its object.

Clause (6) of that Article enables the State to make any law imposing in the interest of general public *reasonable restrictions* on the exercise of the right conferred by sub. cl. (g) of Cl. (1). Held that in order to be reasonable, a restriction must have a rational relation to the object which the legislature seeks to achieve and must not go in excess of the object. The mode of approach to ascertain the reasonableness of a restriction has been succinctly stated by Patanjali Sastry, C.J., in *State of Madras versus V. G. Row* thus "...the test of reasonableness, wherever prescribed, should be applied to each individual statute impugned, and no abstract standard, or general pattern of reasonableness can be laid down as applicable to all cases....". Bearing the aforesaid principles in mind, their Lordships wanted to ascertain the object of the Act, from the circumstances under which it was passed and its provisions and desired to see whether the provisions have any reasonable relation to the object which the Legislature seeks to achieve.

There is a historical background for this Act. Marketing legislation is now a well-settled feature of all commercial countries. The object of such legislation is to protect the producers from being exploited by the middlemen and profiteers and to enable them to secure a fair return for their produce. In Madras State, as in other parts of the country, various commissions and committees have been appointed to investigate the problem, to suggest ways and means. The Royal Commission on Agriculture in India in 1928 observed, "That cultivator suffers from many handicaps; to begin with, he is illiterate and in general ignorant of prevailing prices in the markets especially in regard to commercial crops.... The keynote to the system of marketing agricultural produce in the State is the predominant part played by middle men.... It is the cultivator's chronic shortage of money that has allowed the intermediary to achieve the prominent position he now occupies...." Likewise, so many other bodies like the Indian Central Banking Enquiry Committee, the All India Rural Credit and Survey Committee, the recent Expert Committee to review the Act appointed by Madras Government, had stressed the need of marketing legislation.

APPENDIX XVIII—*contd.*

With a view to provide satisfactory conditions of the growers of commercial crops to sell their produce on equal terms and at reasonable prices, the Act was passed on July 25, 1933. The Act, therefore, was the result of a long exploratory investigation by experts in the field, conceived and enacted to regulate the buying and selling of commercial crops by providing suitable and regulated markets by eliminating middlemen and bringing face to face the producer and the buyer so that they may meet on equal terms, thereby eradicating or at any rate reducing the scope for exploitation in dealings. Such a statute, their Lordships stated, cannot be said to create unreasonable restrictions of the citizens' right to trade.

Scrutinising the provisions of the Act and the Rules made thereunder to ascertain whether the restrictions imposed are not reasonable, their Lordships said that provisions fall under two groups : the first group [Secs. 2 (i-a), 3, 4A, 6 to 10, 18 and 19] provides the machinery for controlling the trade in commercial crops and the second group of provisions [Sec. 5, 5(1), 5(3), Rule 28(3)(iii), etc.] imposes restrictions on the carrying on of the said trade. The said provisions (under first group) which bring into existence a machinery for regulating the trade are not attacked by the learned counsel for the appellants. Under second group, the provisions are succinctly stated by "the Report of the Expert Committee on a review of Madras Commercial Crops Markets Act, 1933" at p. 7 as under :

"A common place is provided for seller and buyer to meet facilities ...2. Market practices are regularised...and market charges clearly defined...3. Correct weighment is ensured by licensed weighmen... 4. Payment on hand is ensured...5. Provision is made for settlement of disputes... 6. Daily prevailing prices are made available to the growers...and 7. Quality standards are fixed...."

The result of the implementation of the Act would be to eliminate, as far as possible, the middle men and to give reasonable facilities for the growers of commercial crops to secure best prices for their commodities.

Learned counsel for the appellants contends that the restrictions imposed by the provisions of section 5 are not only unreasonable but tend to defeat the very purpose of legislation. Elaborating this argument, the learned counsel argued that the trader can only buy or sell in the licensed premises, paying heavy licensing fees under different heads and paying also heavy overhead charges, that he will not be able to run his business with profit. It is also stated that the trader cannot go wherever he likes to buy the produce at cheap rates and can only negotiate for or enter into contracts of sale in the licensed premises, with the result he has to pay higher prices to the sellers. The first argument exaggerates the situation since it was not found so high (licence rate) as to cripple the traders' business. No material has been placed before their Lordships in regard to it. As regards the second objection, Their Lordships stated that nothing prevents the grower from selling his produce to another grower whose requirements are greater than what he produces or to a smaller trader exempted under the third proviso to Sec. 5(1). After the market is established, it is contended that a grower will be obliged to carry the goods to a centralised place if he is to dispose of the goods, which can

APPENDIX XVIII—*contd.*

hardly be described as increasing the facilities for marketing the goods. It is true that the growers may be under some difficulties in this regard but that is counterbalanced by the marketing facilities provided for them under the Act.

It is also stated that no licence to purchase or sell commercial crops will be granted or renewed in respect of any place, when a market is established, situated within such distance from the market as may from time to time be fixed by the Government and nothing under that Act prevents the Government from fixing a long distance as a prohibited area, with the result that a person who, having a licence to trade in and about the place where the market is fixed, is deprived of his livelihood, which is an unreasonable restriction upon his right. But, in the Lordship's view, such a provision is necessary for preventing the local business being diverted to other places and the object of the scheme being defeated. The establishment of a market does not prevent a trader from carrying on business in the market established but he could not run a market for himself in respect only of the commodities declared to be commercial crops within the radius prescribed.

Held that, having regard to the entire scheme of the Act, the impugned provisions of the Act constitute reasonable restrictions on a citizen's right to do business and, therefore, they are valid.

The next contention of the learned counsel is that the G. O. No. 356 dated 8-3-1952 directing the establishment of a market at Virudhunagar is an unreasonable restriction on the appellants' right to do business and is therefore invalid. In Virudhunagar there is already a well-established market which provides all facilities and amenities like stalls, godowns, halls, parks for effecting sales and purchases of cotton and other goods, and stated that it is functioning for the last 50 years. Certain charges like 'mahimai' are collected on all transactions and they are constituted into a trust fund which is utilised for the maintenance of schools and for religious purposes. The argument is that the appellants in C. A. No. 169 of 1955 are running the market with high standards and hence they required that the same advantages could be given to the growers by continuing the said market with suitable restrictions and controls as the market established by the Market Committee. The learned Advocate General of Madras contends that the appellants have really two fundamental rights; one is to carry business and the other is to hold their property, *i.e.*, the market. In respect of the contention that holding the market is only an incident of ownership of the property, reliance is placed upon the decisions in *T. B. Ibrahim versus Transport Authority, Tanjore*; *Ramuni Kurup versus The Panchayat Board, Badagara*, and the other cases. It is unnecessary to express an opinion on the question whether the right of appellants falls under Art. 19(1)(f) or (g) of the Constitution, as the material has not been placed before their Lordships. The question may conveniently be left open to be decided at the time when the market is established at Virudhunagar, in the manner provided by law. Their Lordships stated further that from the record there is an early prospect of such a market being established in that place.

The next argument relates to 'mahamai' allowances collected by the Appellants from the sellers and buyers of the crops of the market. The learned judges of High Court held that this does not arise for

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decision at this stage and 'mahamai' could not be claimed as trade allowance, and they concluded the decision like this: "It has nothing to do with the transaction as such and is really a contribution levied at the time of transaction for a purpose unconnected with it. It cannot therefore be properly regarded as a trade allowance, and bye-law 25(b) is perfectly valid." The learned Justice of Supreme Court did not share the opinion of the learned Judges of High Court, Madras. The appellants prayed for issue of a writ of mandamus directing the respondents to forbear from enforcing any of the provisions of the Act, Rules, Bye-laws framed thereunder, by the Ramanathapuram Market Committee, and the provisions of the Act read with the bye-laws prohibited the collection of 'mahamai' by the appellants. The question whether the bye-law prohibiting the collection of 'mahamai' allowance is valid or not does arise directly for consideration in this case, their Lordships of Supreme Court stated, and they pointed out some ambiguity in the conclusion arrived at by the learned Judges of High Court.

The gist of the provisions of Sec. 14, Sec. 19(1) and Bye-law 25 was that trade allowance cannot be received in any notified area by any person in any transaction in respect of commercial crop or crops. Every deduction in any transaction in respect of the said crop other than those specified in the explanation to Sec. 14 is trade allowance for the purpose of the Act. The argument of the learned counsel is that the bye-law is bad, because the Market Committee did not name the allowance or allowances, taking them out of the prohibition under Sec. 14 which they are entitled to do under that section, but made the bye-law mentioning the 'mahamai' allowance as one not deductible in any transaction. The validity of that part of the bye-law prohibiting the deduction of 'mahamai' as trade allowance depends upon the nature of that deduction. If 'mahamai' is not a trade allowance, the said part of the bye-law would obviously be invalid as inconsistent with the provisions of Sec. 14; if, on the other hand, 'mahamai' is a trade allowance, the said part of the bye-law is superfluous, as the allowance falls within the terms of the section itself. This leads the Lordship (Supreme Court) to the question whether 'mahamai' is a trade allowance within the meaning of Sec. 14 of the Act.

What is trade allowance? Trade involves exchange of commodities for money, the business of buying and selling and the transaction involves the seller, the buyer, the commodity sold and the price paid for the sale. Allowance means something given as compensation, rebate or deduction. The deduction may be out of the price or commodity. When A sells a quantity of cotton to B for Rs. 100, B, the purchaser, may deduct one rupee from the sale price and pay Rs. 99 to A; he may keep that amount for himself or pay the same to C. So too, A, the seller, may purport to sell one maund of cotton, but in fact deduct a small part of it, retain that part for himself or give it to C; or both A and B may fix the price of the commodity purchased at Rs. 102 but the purchaser pays one rupee to C and the seller retains or pays one rupee to C; or it may be that payments have nothing to do with the price or transaction but the parties pay C a specified amount as consideration for the use of the premises or for the services rendered by him. The question whether a particular payment is a trade allowance or not depends upon the facts of each case.... Firstly, it is a deduction in any transaction in respect of commercial crops. If it is a deduction out of

APPENDIX XVIII—*contd.*

the price or commodity agreed to be paid or transferred, it would be a trade allowance. On the other hand, if the payment is *de-hors* the terms of the transaction but made towards consideration for the use of the premises or services rendered, it would not be a deduction from the price or in any transaction. No material has been placed before their Lordships to arrive at a definite finding. The learned Judges having expressed the view that the question did not arise for consideration at this stage, did not also consider any material to support their finding. In the circumstances the only reasonable course is to leave that question open so that it may be decided in appropriate proceedings.

Order.—In the result, subject to the aforesaid observations, the appeals are dismissed but without costs.



2. THE SUPREME COURT

Petition No. 129 of 1959

MOHD. HUSSAIN GULAM MOHD. AND ANOTHER—Petitioners.

Versus

THE STATE OF BOMBAY AND ANOTHER—Respondents.

Introduction.—In this case the question of the constitutionality of the Bombay Agricultural Produce Markets Act No. XXII of 1939 and the Rules framed thereunder was challenged. The petitioners' contention was that the above Act and Rules and Bye-laws framed thereunder place unreasonable restrictions on their right to carry on trade in agricultural produce and thus infringe their fundamental right guaranteed under Art. 19(1)(g) of the Constitution.

Facts.—1. The petitioners are businessmen of Ahmedabad.

2. The whole area within a radius of 12 miles of Ahmedabad city was declared to be a market area under Sec. 4 from June 1, 1948. The extents of the market yard and the market proper were also declared and simultaneously the Agricultural Produce Market Committee, Ahmedabad, was established.

3. In 1959, 'Kolupur market' where the petitioners were carrying their business was declared as a sub-market yard.

APPENDIX XVIII—*contd.*

4. The Market Committee then insisted that the petitioners should take licences from it without which they cannot carry on business in the notified commodities.

The petitioners contend :

1. That the Act, Rules and Bye-laws infringed their right of trade guaranteed under Art. 19(1)(g) of the Constitution.

2. That the licence fee collected would impose a heavy burden.

3. The State Government never required the establishment of a market under Sec. 5AA.

As a consequence, the Market Committee had no power (1) to issue licences; (2) to exercise other powers conferred under the Act, Rules and Bye-laws framed.

Therefore the petitioners wanted that the Act, Rules and Bye-laws may be declared unconstitutional, *ultra vires*, and void. In the alternative they requested that a direction should be issued to the Market Committee not to enforce the provisions of the Act, the Rules, and the Bye-laws framed thereunder against them so long as the market has not been established as required under the law.

Judgment (Wanchoo, J.): 1. The establishment of a market takes place only when the State Government requires the Market Committee to do so.

2. The procedure to be followed by the Market Committee for the establishment of a market however appears to have not been stated in the Act or Rules. But reading the provisions of Sec. 4A and Sec. 5AA together it appears that after the State Government has required the Market Committee to establish a market, it has to approach the Commissioner with its recommendation to declare localities as the principal market yard and the sub-market yards, if any, and the Commissioner makes a notification in regard thereto, and thereafter the market is established. Till then the other provisions of the Act which come into force after the establishment of a market cannot be enforced and the trade is till then regulated in the manner provided in the proviso to Sec. 4(2). After the market is established, the Market Committee gets the power to issue licences under Sec. 5A. Sec. 11 provides that the Market Committee may, subject to the provisions of Rules and subject to such maxima as may be prescribed, levy fees on the agricultural produce bought and sold by licensees in the market area. This Section, it is noticed, applies to the purchase and sale of agricultural produce in the market area, and the power under it can be exercised by the Market Committee, as soon as the market is declared, though no market might have been established under Sec. 5AA. Till such time as the market is established, the fees prescribed under Sec. 11 would be levied on the licensees, under the proviso to Sec. 4(2). Sec. 26 gives power to the State Government to frame rules whereas Sec. 27 to the Market Committee to frame bye-laws, with the previous sanction of the Director or any other officer specially empowered in this behalf by the State Government, and subject to any rules framed by the State Government, under Sec. 26. Finally, Sec. 29 provides that the State Government may by notification in the official Gazette add to, amend or cancel any of the items of agricultural produce specified in the schedule to the Act.

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The first contention on behalf of the petitioners is that Secs. 4, 4A, 5, 5A and 5AA which provide for the declaration of a market area and the establishment of a market are unconstitutional as they are unreasonable restrictions on the right to carry on trade in agricultural produce. Then the court had occasion to refer to a similar Act, namely, 'the Madras Commercial Crops Market Act No. XX of 1933 in M. C. V. S. (1) *Arunachala Nadar, etc.*, versus *The State of Madras and others* (1) (1959) Supp. (1) S. C. R. 92. The regulation with respect to marketing of commercial crops provided in that Act was upheld. The main provisions of the Madras Act with respect to the declaration of market area and the establishment of markets are practically the same as under the Bombay Act. In their Lordships' opinion, there is no ambit in between the two Acts. And it is also clear through Sec. 4(2A), that the provisions of the Act do not apply to the retail sale and is confined to the wholesale trade in the crops regulated thereunder. There is no distinction between the Act and the Madras Act and for the reasons that have been elaborately considered in Arunachala Nadar's case, their Lordships opined that Secs. 4, 4A, 5, 5A and 5AA of the Act are constitutional and *intra vires* and do not impose unreasonable restrictions or on the right to carry on trade in agricultural produce regulated under the Act.

The next attack is on Sec. 29 which provides that the State Government may by notification in the official Gazette add to, amend or cancel any of the items of the Agricultural produce specified in the schedule. It is submitted that this gives a completely unregulated power to the State Government. As already pointed out, the scheme of the Act is to leave out of account retail sale altogether; it deals only with wholesale trade. In this connection, their Lordships referred to the *Edward Mills Co., Ltd., Bewar, versus The State of Ajmer and another*: (1955) I.S.C.R. 735 wherein Sec. 27 of the Minimum Wages Act, 1948, which gave power to the appropriate Government to add either part of the schedule any employment in respect of which it is of opinion that minimum wages shall be fixed by giving notification in a particular manner was held to be constitutional. Therefore the petitioners' contention in this case was rejected.

The next attack is on Sec. 11 of the Act and the rules framed in that connection. Sec. 11 gives power to the Market Committee subject to the provision of the rules and subject to such maxima as may be prescribed to levy fees on agricultural produce bought and sold by licence in market area. It is said that the fee provided by Sec. 11 is in the nature of sales tax. There is no doubt that the Market Committee which is authorised to levy this fee renders services to the licensees, particularly when the market is established. Under the circumstances it is in the nature of sales tax. It is true that the fee is calculated on the amount of produce bought and sold but that in their Lordships' opinion is only a method of realising fees for the facilities provided by the Committee. It was contended that Rules 53 and 54 which provide for levying of fees under Sec. 11 are *ultra vires* as they do not conform to Sec. 11 of the Act. There are two restrictions on the power of Market Committee under Sec. 11; the first is that the fee fixed must be within the maxima prescribed by the rules and naturally till such maxima are fixed it would not be possible for the Market Committee to levy fees (Rule 53), and the second restriction is that fees have to be charged not on the produce brought into but only on such produce as is actually

APPENDIX XVIII—*contd.*

sold (Rule 54). Rule 54 will be valid if proper provision to refund is made in the Bye-laws with respect to the produce brought into the market on which fees have been charged but which has been taken back because it is not sold, for then it would only be a method of levying the fee permitted under Sec. 11. Since the provision in the Bye-law is proved, Rule 54 is held valid. As regards Rule 53, their Lordships opined that unless the State Government fixes the maxima by rule, it is not open to the Market Committee to fix any fees at all, and the construction urged on behalf of respondents is not correct.

The next attack is on Rule 64, which provides that no person (a) enters a principal market yard or sub-market yard in contravention of a direction given by a servant or a member of the Market Committee, (b) disobey any of the directions of the Market Committee... is punishable with fine. It is urged that it is *ultra vires*. Their Lordships stated that there was no force in that contention because it is merely a method of enforcing the regulatory provisions.

The next attack is on Rule 65 which provides that no person shall do business as a trader or a general commission agent in agricultural produce in any market area except under a licence granted by the Market Committee under this rule. The contention is that it goes beyond the provisions of Sec. 5A which lays down that "where a market is established under Sec. 5AA, the Market Committee may issue licences in accordance with the rules to the agents..." So far as the grant of licence to traders before the establishment of the market is concerned, the provision is to be found in the proviso to Sec. 4(2) and the power to grant licences to the traders before the establishment is given to the Commissioner and not to the Market Committee. The power of the Market Committee to grant licences under Sec. 5A arises only after the market is established. Rule 65, therefore, in their Lordships' opinion goes beyond the power conferred on the Market Committee by Sec. 5A and entrenches on the power of the commissioner under the proviso to Sec. 4(2). Therefore it was struck down as *Ultra vires* of the provisions in Sec. 5A read with proviso to Sec. 4(2). Rule 66 which is incidental would fall along with Rule 65.

The next attack is on Rule 67 which provides power to the Market Committee to issue licences for doing business in market area and prohibits doing of business without such licences. This rule is open to the same objection as Rule 65, for the power of the Market Committee to grant licences is with respect to operation in the market and not in the market area, the later power being in the Commissioner under the proviso to Sec. 4(2) till the market is established. It was held that two rules, 65 and 67, as drafted, referred to the market area and not to the market and therefore it goes beyond the power granted to the Market Committee under Sec. 5A.

In the last point it was urged that no market has been established in Jaw as required under Sec. 5AA of the Act. Their Lordships have already stated, while dealing with the scheme of the Act, that the scheme envisages as market area under Sec. 4 and the establishment of a market under Sec. 5AA. A market can only be established by a Market Committee constituted under Sec. 5, if it is required so to do by the State Government under Sec. 5AA. The requirement for the State Government is a condition precedent to the establishment of a market

APPENDIX XVIII—contd.

under Sec. 5AA. No procedure has however been prescribed either under the Act, or under the Rules, as to what the Market Committee has to do after it has been required to establish a market. Their Lordships presumed, in view of the provisions of Sec. 4A which gives power to the Commissioner to establish a market yard or sub-market yards, that the Market Committee after it receives a direction from the State Government to establish a market will have to approach the Commissioner with its recommendation and ask him to notify the establishment of a principal market yard or sub-market yards, if any. The contention of the petitioners is that no direction was issued by the State Government under Sec. 5AA to the Market Committee for the establishment of a market and that in any case the Committee took no steps after the receipt of any such direction for the establishment of a principal market yard or sub-market yards. It appears that the market area was declared for the first time in Ahmedabad from June 1, 1948, by a notification dated April, 15, 1948. This was followed by another notification by which the State Government established a market and a market proper under the Act as it stood before the amendment of 1954 by which the power to establish principal and sub-market yards has now been given to the Commissioner. It seems however that no direction was issued as required by Sec. 5 of the Act as it stood before the amendment (now Sec. 5AA) requiring the Market Committee to establish a market. This matter has come to the notice of the Bombay High Court in *Bapubhai Ratanchand Shaw versus The State of Bombay* : 3 LLR (1955) Bombay 870. It appears that after the observation of the Bombay High Court, the State Government on August 11, 1955, issued a notification (No. PMA. 7055) directing the Agricultural Produce Market Committee, Ahmedabad, to establish a market in the market area. But there is nothing in the affidavit of the respondents to show that after this direction was issued on August 11, 1955, the Market Committee took any steps to establish a market by making recommendations to the Commissioner to establish principal and sub-market yards under Sec. 4A of the Act. As a matter of fact, the principal market yard was already there from before this direction given in 1955 and has continued. Even in the case of sub-market yard established at Kalupur in 1959 there is nothing in the notification issued by the Commissioner on January 16, 1959, to show that he was doing so in pursuance of the desire of the Market Committee and on its recommendation. In the circumstances the curious situation that was noticed with respect to the Ahmedabad Market area by Chagla, is there with respect to the Ahmedabad market area and Ahmedabad market, with the result that the Market Committee cannot issue licences under Sec. 5A of the Act. Petition in the attack was allowed.

Conclusion.—Held that the challenge made by the petitioners to the constitutionality of the main provisions of the Act and the provisions in Rule 64 fails ; but the challenge in respect of (i) the provision in Rule 53 on the ground that they are *ultra vires* of Sec. of 11, there being no maximum fee prescribed by the State Government ; and (ii) the provisions in Rules 65, 66 and 67 on the ground that they are *ultra vires* of the provisions in Sec. 5A read with proviso to Sec. 4(2) succeeds.

Order.—Their Lordships allowed the petition partly and directed the respondents not to enforce any of the provisions of the Act, Rules and Bye-laws against the petitioners with respect to the market till

APPENDIX XVIII—contd.

the market is properly established in law for this area under sec. 5AA and not to levy any fees under Sec. 11 till the maximum is prescribed under the rules. Their Lordships ordered parties to bear their own costs. Likewise, petition No. 303 of 1954 was disposed of.

3. GIST OF THE JUDGMENT DELIVERED BY HON. WAN-CHOO, J., OF THE SUPREME COURT OF INDIA ON 15-3-1962

MAHAMADDBHAI KHUDA BUX CHIPPA AND FOUR OTHERS (the wholesale and retail merchants belonging to Ahmedabad and Nadiad)—Petitioners

Versus

THE STATE OF GUJARAT AND OTHERS, ETC.—Respondents

Introduction.—The five petitions raise questions as to the constitutionality of the Bombay Agricultural Produce Markets Act, Bombay Act No. XXII of 1939 (hereinafter referred to as the Act), as amended by the Bombay and Saurashtra Agricultural Produce Markets (Gujarat Amendment and Validating Provisions) Ordinance No. 1 of 1961 (hereinafter referred to as the Ordinance), and the rules and bye-laws framed thereunder. They are a sequel to the judgment of this court in *Mohammad Hussain Gulam Mohammad versus The State of Bombay* which was delivered on May 2, 1961. In that petition the challenge to the constitutionality of the main provisions of the Act failed but the provisions of certain rules, namely, rr. 53, 65, 66 and 67 were held to be *ultra vires* of the provisions of Sec. 11 and Sec. 5A of the Act. In consequence, a direction was issued prohibiting the respondents in that petition from enforcing the provisions of the Act, rules and bye-laws against the petitioners in that petition till a market was established in law for that area under Sec. 5AA and from levying fee under Sec. 11 till the maximum was prescribed under the rules. Consequent on that decision the State of Gujarat amended Rule 53 by notification dated 23-6-61. Further, the Ordinance was promulgated on 26-6-1961 by which certain amendments were made in certain sections of the Act and a new sec. 29B was inserted in the Act validating certain acts or things done prior to the promulgation of the Ordinance. The present petitions were filed thereafter.

The contentions of the Ahmedabad petitions are:

- (1) That the notification amending Rule 53 offends Art. 14 of the Constitution and is therefore bad;

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- (2) That though Sec. 5AA has been amended, the amendment is prospective. Therefore the infirmity noticed in the earlier judgment of this court still remains and Sec. 29B which has been inserted in the Act is insufficient to validate what had been done before the Ordinance came into force;
- (3) That the bye-law under which the Market Committee issues licences to A and B class dealers is discriminatory and imposes unreasonable restrictions on the fundamental right to carry on trade and business and is therefore bad; and
- (4) That the Market Committee insists on issuing licences for retail trade and this it cannot do for control of retail trade is not within the provisions of the Act as held by this court in their earlier judgment and further in consequence the M. C. is using r. 64 in a manner in which it was not intended to be used and, therefore, that rule, though it was upheld in the earlier judgment, should be declared *ultra vires*.

The Nadidad petitioners challenge:

- (1) The constitutionality of the Act after its amendment by the Ordinance as it makes radical changes in the main provisions of the Act and therefore the Act, as it now stands after the amendment, is violative of the fundamental right and to carry the trade and business guaranteed under Art. 19(1)(g) of the Constitution as the restrictions placed are unreasonable;
- (2) Rules 65, 66 and 67 were struck down by this Court in their earlier judgment as beyond the power conferred on the State under Sec. 26 of the Act. These rules therefore cannot be held to be part of the rules in force now and in consequence it was not open to the Market Committee to act as provided in these rules; and
- (3) That as per earlier judgment of this Court he is entitled for a refund of the licence fee paid to the Market Committee, but Sec. 29B newly inserted in the Act which in effect deprives this petitioner of getting refund is invalid and illegal.

Facts.—The petitions have been opposed on behalf of the State. The points which call for decision are :—

1. Is the notification dated 23-6-1961, fixing maximum fee to be charged, hit by Art. 14 of the Constitution of India?
2. Does the insertion of Sec. 29B in the Act suffice to validate act or things done before the promulgation of the Ordinance?
3. Are the bye-laws by which A and B class dealers' licences are issued discriminatory and thus offend Art. 14 and do they amount to an unreasonable restriction on the fundamental right to carry on trade and business under Art. 19(1)(g)?
4. Is the Market Committee acting beyond its power under the Act in requiring retail dealers to take out licences and is r. 64 bad on account of the manner in which it is being enforced by the Market Committee?
5. Are the main provisions of the Act after its amendment by the Ordinance liable to be struck down as an unreasonable restriction on the fundamental right to carry on trade and business under Art. 19(1)(g)?

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6. Was it necessary to re-frame rr. 65, 66 and 67 under power conferred on the State Government under Sec. 26? If so, what is the effect of its not having been done? and

7. Is Sec. 29-B bad in view of Art. 31(1) of the Constitution in so far as it prevents refund of licence fee collected before the Ordinance came into force?

Conclusions.—The Hon. Judges opined as under after examining each :

(1) So long as the Market Committee uses one method of levying fee with respect to one kind of agricultural produce it cannot be said that it is discriminating if it used another method for levying fee on another kind of agricultural produce. The bye-laws fixed by the M.C. have fixed only one mode of levying fee; therefore there is no case for discrimination made out on the basis of actual bye-laws framed by Market Committees.

(2) An amendment has been made to Sec. 5AA of the Act deleting the provision by which a market could be established only if so required by a State Government. This amendment is prospective. It could have been made retrospective also and in that case sub.3(1) of Sec. 29-B may not have been necessary. The legislature however adopted the method of amending Sec. 5AA prospectively and making a separate provision for validating the establishment of markets in sub-sec. (1) of Sec. 29B. We see no reason why it should be held that the validation made by sub. 3(1) is not sufficient because the legislature has adopted one method rather than the other for carrying out its purpose. We are therefore of opinion that Sec. 29B is sufficient to cure the defects pointed out in the earlier judgment of the Court.

(3) It is clear that there is a basis for classification between the two classes of traders, namely, A class and B class. A class traders are those who can both buy and sell agricultural produce in the market yard, while B class traders can only buy in the market yard but cannot sell there. The reason why B class traders have been permitted to buy in the market yard is to allow for competition. This classification in our opinion is reasonable. It is unnecessary to repeat the reasons given in the earlier judgment where it was held that the restrictions placed by the Act, Rules and Bye-laws framed thereunder are reasonable restrictions in the interests of general public.

(4) The argument is based on the use of the words "to sell in retail to consumers anywhere in the market area" in connection with B class traders. It is said that in this way the market committee is controlling retail trade also under the Act which it cannot do. We are of the opinion that this contention has no force. The bye-law which provides the issue of licences to A and B class traders indicate the limit below which they cannot trade in the market yard, and this clearly shows that the intention of the Market Committee was not to control retail trade by the issue of licences to traders for the large proportion of retail trade may well be below Rs. 10 for each transaction.

Rule 64 merely provides for incidental powers in connection with the regulation of market yards and it has already been held valid in an earlier judgment. We see no reason to hold that that rule is invalid on

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the ground that the Market Committee is using that rule to control retail trade. We have already pointed out that the Market Committee cannot be said to control retail trade by providing for A and B class licences and there is no question therefore of Rule 64 being used in a manner not intended thereunder.

(5) An examination of the main provisions of the Act before and after amendment reveals that Sec. 3 stands unamended. So also Sec. 4(1). There had been some amendment in Sec. 4(2) but it is not of a radical character and does not make any difference to the main provision of the Act. Sec. 4A has also been amended but the amendment brings into the Act what was formerly in Rule 51. This amendment also therefore makes no radical change in the Act. The change in Sec. 5A is also of an incidental character and does not in any way affect the scheme of the Act as it was before the amendment. The main argument of the petitioners is based on the amended Sec. 5A which now reads as follows :—

“When a Market Committee is established under Sec. 4A, the Market Committee may issue licences in accordance with the rules to traders, commission agents, brokers, weighmen, measurers, surveyors, warehousemen and other persons to operate in the market area or any part thereof.”

Reading Sec. 5A along with the rules, it is clear that the present provisions are materially the same as agricultural produce (except that which is processed) shall have to pass through the principal market yard and sub-market yards and be sold there; the only difference that the amendment has made is that whereas formerly under Sec. 5A traders could only operate in the market by virtue of the provisions of the Act read with rules.

Certain subsidiary contention raised like putting unreasonable Restrictions, heavy burden on traders necessitating a trader to obtain 80 or more licences to trade in different market areas. This in our opinion is a theoretical consideration.

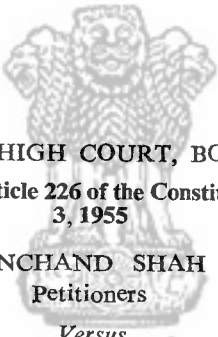
The judges opined that if control has to be effective in the interests of the agricultural produce, incidental control of produce grown outside the market area and brought into the market yard for sale is necessary. Also, transactions between traders and traders have to be controlled, if the control in the interest of the agricultural producers and the general public has to be effective. We are therefore of the opinion that the Act and the rules and bye-laws, framed thereunder cannot be struck down on this ground. The contention under this head must therefore fail.

(6) After an elaborate narration of the contentions and facts the judges opined that rr. 65 (1) and 67(1) were valid when they were originally framed and remained valid till Sec. 5A was enacted in 1953 and became bad on insertion of Sec. 5A in the Act. Now that Sec. 5A has been amended by the Ordinance, rr. 65 and 67 are obviously in conformity with it, r. 66 being merely consequential. Therefore they will revive by the application of the doctrine of eclipse as they are no longer overshadowed by Sec. 5A as it was before the Ordinance. The contention under this head must therefore fail.

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Sub-sec. (3) of Sec. 29B is the law which retrospectively authorised the levy of licence fees collected in this case. Retrospective power of the legislature to make law being there even in the case of taxation, we fail to see how the provisions of sub-3(3) of Sec. 29B which validate the levy and collection of licence fees can be held to be invalid under Art. 31(1). We may add that the same will apply to fees collected under Sec. 11 and validated by sub-sec. (2) of Sec. 29B. Therefore there is no force in the contention. It is hereby rejected.

Order.—In the result, the petitions are dismissed with costs.



4. THE HIGH COURT, BOMBAY

Applications under Article 226 of the Constitution of India—March
3, 1955

BAPUBHAI RATANCHAND SHAH AND ANOTHER—
Petitioners

Versus

THE STATE OF BOMBAY—Opponent.

Introduction.—The two petitioners contend that the Bombay Agricultural Produce Markets Act is *ultra vires* of the Constitution of India Act articles 19(1) (f) and (g), 31, 305, whether the State Legislature is competent to place restrictions on business in public interest and the Bombay Act is *ultra vires* because of deprivation of the property of the petitioner without compensation.

Facts.—(1) The two petitioners have been carrying on business for many years at Vakhar Bagh at Sangli in agricultural produce.

(2) The merchants including the petitioners invested large amounts in putting up buildings and giving facilities for opening of shops in those buildings for purchase and sale of agricultural produce.

(3) Various notifications were issued under the Act with the ultimate result that the petitioners were prevented from doing their business in this Vakhar Bagh area and a market was set up under the Act at some distance from Vakhar Bagh.

The petitioners therefore challenge the Act, and also the rules and bye-laws framed thereunder.

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The substantial challenge is under Article 19(1)(f)(g) on the ground that unreasonable restrictions have been placed upon the petitioners' right to carry on business and to hold their property. A challenge is also made on the ground that the value of these properties has gone down by reason of the market being shifted to a different place and that the petitioners have been deprived of the property under Art. 31 without compensation and a plea is also made that the Act is bad on the ground that it imposes unreasonable restrictions under Article 304(b) upon commerce within the State.

Judgment (Hon. Justice Chagla, C. J.): Dealing first with the credentials of the petitioners, the first petitioner is an old man and at present is a big landlord in Vakhar Bagh and he is not doing any business at all. As stated in the affidavits of the respondents, the rent collected by the first petitioner during the period 1940-42 was Rs. 10,829 and it went up to Rs. 97,368 in the years 1952-54. A lame explanation was given by the petitioner that the rent was increased because some of the properties were used for cinemas and such other enterprise.

The second petitioner is doing business undoubtedly. He is a licensee of the Market Committee. When all preparations, namely, (a) securing by the Market Committee land measuring 99 acres 30 guntas on the Sangli-Miraj Road as per resolution of the Market Committee dated 25-3-1951; (b) development of the market yard for which the Market Committee obtained Rs. 1,50,000 from Government on 29-3-1954; (c) resolution of the Market Committee requesting the Government to declare the new site to be principal market yard from 26-10-1954 which was the Diwali day; (d) unanimous resolution of the Chamber of Commerce of Sangli on 3-6-54 to shift the market yard in Oct. 1954; (e) allotment of places in new market yard began in 1954; and (f) the second petitioner also applied for one of the plots and he was allotted one, were made for the opening of the new market yard, the petitioner, filed the petition on 10-11-54.

Now, when we turn to the Act, it is undoubtedly an Act passed to satisfy an urgent social need. Its clear object is to afford protection to the producers, protection from the exaction of the middle man who deprived them of the legitimate return for what they have grown on the soil with the sweat of their brow. It is with this object that the Act provides that agricultural produce should only be bought and sold at a fixed place and certain conditions which will protect the producer not getting what he is entitled to. Laws regulating marketing are not anything new and all modern States put on the Statute Book similar Acts providing for the establishment of markets and also providing that certain produce should only be sold within confined limits of the market established and under certain terms and conditions. But we regret to have to state that a simple measure of social reform has been rendered complex and cumbersome by rules and bye-laws framed under it which in many cases have been framed without any reference to the provisions of the Act or without realising what the rule making power was or what were the proper bye-laws to be framed under the Act. New nomenclatures have been adopted when there was no necessity to do so and the result has been what one can only describe as chaotic. Even Mr. Joshi who appears for the

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State of Bombay very often was not in a position to enlighten us as to why a particular rule was passed or a bye-law enacted. Therefore whatever our view may be as to the rights of the petitioners, we feel that Government should consider carefully all the rules and bye-laws which have been passed and try to bring them within a narrow compass and make them as simple as possible. It is not always necessary that the functioning of democracy must result in passing of laws which nobody can understand, and we did feel this petition was being argued and we had put to Mr. Joshi if we ourselves felt difficulty in understanding some of the rules and bye-laws it was hardly fair to expect a trader in Sangli or an agriculturist in Sangli not only to understand the rules but to obey and respect them. The simplicity of law does not necessarily militate its efficacy. On the contrary the more complicated and complex the law is the more difficult it is to enforce it and the more vulnerable it is to be challenged by those who are affected by it. Therefore we sincerely hope that Government will take prompt measures to consider what proper rules and bye-laws would be passed and if the Act requires any legislative alterations.

Therefore the scheme was that there was to be a market area and in this area purchase and sale of agricultural produce which was notified could only be effected under a licence granted by the provincial Government. But a producer was exempted when he sold to another for private use or for retail sale S.4(2, A.) The intention clearly was to protect the producer when he effected a sale to a trader or general commission agent. But where he sold for private use there was no question of profit arising as far as the consumer was concerned or when he sold by retail sale where profit motive was very slight one, no restriction was placed upon purchase and sale of this kind.

Reading Sec. 4(2) and the proviso to Sec. 5 and Sec. 5A the scheme that really emerges is that once a market area is established there is a prohibition against purchase or sale of the agricultural produce therein. Permission may be granted by the provincial Government to purchase or sell in this area, but this permission is to continue only so long as the market is not established and licences are not issued by the Market Committee, under Sec. 5A, to operate in the market.

Now turning to the rules, the scheme of r. 51 was that within the larger market area, there should be a market yard in which the business should be transacted and contiguous to the market yard, there should be a belt as it were of no mans land where no business should be transacted and which should be known as market proper. This belt was set apart in order to protect the producer who if he came to the market area with the intention of displaying his goods in the market yard and selling them in the market yard, should not be inveigled into parting with his produce before he reached the market yard, the intention being that the producer should be allowed to sell his produce at competitive rates. He should get competitive rates provided he sold his goods in the market yard where there could be other purchasers and traders. R. 65 provided for licences to be issued to traders and general commission agents and r. 67 provides for licences to brokers, weighmen, measurers and surveyors. The importance of issuing licences to brokers, weighmen, etc., will be realised

APPENDIX XVIII—*contd.*

because unless they are honest the producer could be seriously prejudiced by the manner in which his business was done by the broker or the manner in which his goods were weighed and therefore again in the interests of the producer control had to be kept in the manner in which the brokers, weighmen, measurers and surveyors did their job.

Now, this being broadly the effect of legislation, the first challenge that is made by the petitioners is that their fundamental right to carry on their business under Art. 19(1)(g) has been impaired. Article 19(1)(g) confers a very important right upon every citizen in India and that right is to practise any profession or to carry on any occupation, trade or business. Undoubtedly the right is to carry on a business freely. Equally it is a right to carry on any business which is permissible in law and also to carry on business anywhere within the territories of the Union of India. But as has been often pointed out, none of the rights to freedom enumerated in Art. 19 is an absolute right. That right must be viewed and appreciated in the social context and the Constitution makers, appreciating the fact that as the country developed and grew, more and more social needs would have to be satisfied, provided in sub-sec. (6) that the State may make law imposing, in the interest of general public, reasonable restrictions on this right. It is true that when a restriction is imposed upon the right of the citizen guaranteed to him under Art. 19 it is for the State to justify that restriction. But whether a restriction is reasonable or not must be judged not in abstract but in the context of the time and in the context of social needs and social urges. A restriction which may be unreasonable at a particular juncture of time may not be so at another and therefore there is no absolute yardstick by which one can test as to whether a restriction is reasonable or not. Now the restrictions according to the petitioner are two-fold : (1) he cannot carry on business in Vakhar Bagh area, and (2) he cannot carry on his business in the market proper. He also says that he is compelled to carry on his business in the new market yard which has been established under the notification. In our opinion it is perfectly competent to the State Legislature to prohibit business being done in a particular place and also permit a business being done under certain conditions if public interest demands that a particular business should only be carried on under restrictions and limitations. In our opinion there cannot be the slightest doubt, looking to the condition of the agriculturists in our country, the heavy debt under which they have always lived, the way they have been exploited, their protection is in the larger interest of the country. Therefore if any restriction which the petitioners complain of is a restriction in the interests of producers that must be a reasonable restriction. If the restriction goes beyond the interest of the producers and serves no useful purpose and is merely intended to restrict the legitimate carrying of a business of the petitioners, then obviously it would not be a reasonable restriction and we would not uphold it. But, as we pointed out before, the setting up of a proper market yard, the prohibition as to different business within a prohibited belt, are all reasonable restrictions in the interest of producers. The necessity for obtaining licences is also justified because unless those who do business as traders or general commission agents—and we are only concerned with that aspect in this petition—are bonafide traders or commission agents, it would

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be difficult to protect the producers from the exaction of people who buy produce from them not for their own consumption but in order to sell it again at profit. If the scheme laid down in the Act is to be worked out at all, it can only work provided only licensed traders and general commission agents are permitted to operate in agricultural produce. It is not suggested that licences are not properly granted. As a matter of fact, the second petitioner himself had obtained a licence and has been operating that licence. The first petitioner has not obtained a licence because he did not apply for it.

It is then suggested that the payment of licence fee itself constitutes an unreasonable restriction. But the decision given was that the fee charged is very reasonable.

The challenge is also made to this legislation under Art. 31 and what is urged is that these buildings in Vakhar Bagh were constructed for the purpose of being let out to shopkeepers and traders for doing business in agricultural produce. By reason of this legislation the business in this locality is prohibited. The result is that the value of these properties had gone down, and Sir Nusserwanji says that one of the incidents of ownership is that the owner can use his property for any purpose he thinks proper and if he in this case is prohibited from letting out his property for the purpose of doing business in agricultural produce there is a substantial abridgement of an incident of ownership. We will assume for the sake of argument that there is a deprivation of property within the meaning of Art. 31 but it is well settled that before a person can complain of deprivation and can urge that the deprivation is illegal because it is without compensation, the deprivation must be direct and not an indirect or incidental consequence of legislation. It would be impossible for Parliament or the State Legislature to put on the Statute Book any social legislation if a complaint could be made that indirectly some property owner has been affected by that social legislation. In effect the contention of the petitioners comes to this that the State legislature cannot pass this social legislation, cannot make proper provision for producers, cannot set up proper markets, because indirectly by doing so the value of his property has gone down. No court can countenance such an argument. Every social legislation must inevitably result in hardship to somebody or other, no social revolution can be carried out without causing not only hardship but even pain and grief. To suggest that a Legislature should carry out a social revolution without even indirectly affecting the property rights of citizens would in substance mean to say that the Legislature should not carry out any social revolution at all and therefore we are not prepared to accept the contention in this case that there is any violation of Art. 31.

Art. 304(b) of the Constitution has also been challenged. It deals essentially with the free passage of persons and goods through one territory of India. What is emphasised is freedom of trade and not the freedom of the individual to carry on business. But when the complaint is unrelated to the question of passage of goods, the proper article to involve is Art. 19 (1)(g) and not the provisions of Art. 301 read with Art. 304(b). As in this there is no question of restriction of passage of goods, the challenge made under Art. 301 read with Art. 304(b) in our opinion is not sustainable.

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Very similar questions were considered by the Madras High Court in *Kutti* versus *The State of Madras* wherein the Madras High Court repealed most of the contentions of the provisions of the Madras Commercial Crops Markets Act and at page 628 the learned judges express a surprise that a provision that business should be done only at a market, if there is one, is unreasonable and they point out "it is obviously in the interests of the growers", they could get the best competitive price in an open market and they would not have to pay the middle man".

There is one further Constitutional challenge to which reference might be made, and that is the challenge to Bye-law 35 on the ground that it infringes the provisions of Art. 14. As we have already pointed out, that bye-law prevents a trader from obtaining a licence as a broker, weighman, surveyor, etc., and similarly prevents a general commission agent from obtaining licence to operate as a broker, weighman, surveyor. It is difficult to understand how Art. 14 has any application to any question that can arise under this bye-law. It is not suggested that there is any discrimination as between one trader and another or between one general commission agent and another. In the interest of producers and in order to carry out the scheme underlying the Act, a trader or a general commission agent is not permitted to operate as a broker, weighman or surveyor. It may be at best suggested that this is an unreasonable restriction on the right of a trader, or a general commission agent, but the challenge to this bye-law under Art. 14 is difficult to understand. There are many occupations and professions where limitations are put upon the right of a person occupying a particular profession from at the same time occupying another post or practising another profession or doing business. If in the interest of the occupation or in the interest of the profession such a restriction can be justified, then equally in this case in the interests of the producers whose produce after all is the subject matter of all trade and business as far as this Act is concerned, a provision restricting a trader or a commission agent from performing other operations cannot be considered to be unreasonable.

Regarding the challenge to the setting up of another market, on an entirely different ground unconnected with the Constitution, the Hon. Judge after reviewing the various notifications issued by Government opined that two notifications challenged were not *ultra vires* of the Act and the State Government was acting in exercise of its power conferred upon it by Sec. 4A(2). While doing so it was pointed out that Sec. 4A is extremely badly drafted and the object of legislation could have been achieved by using simpler and better language. But it is our duty to point out that it is possible to give a construction which is more in conformity both with the object which the legislature had in mind and also with reason and common sense rather than a construction which is likely to result in difficulties and anomalies.

Regarding the contention that the Market Committee had no authority to issue licences, the Hon. Judge pointed out that there is no such challenge in the petition itself and that the second petitioner has applied for a licence. Therefore, whether the challenge can be sustained or not, it is open to the petitioners in this petition to make that challenge

Conclusion.—The petition fails and is dismissed with costs.

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Order.—As the petitioners propose to apply to us for leave to appeal to the Supreme Court and pending that application an interim injunction limited to this that the second petitioner will be permitted to carry on his business of buying and selling agricultural produce in Vakhar Bagh area for a fortnight from today, is granted.

**5. THE HIGH COURT OF JUDICATURE FOR THE STATE
OF PUNJAB AT CHANDIGARH**

Regular Second Appeal No. 433 of 1957

**M/S. ISHWAR SINGH AND SONS—FACTORY OWNERS’
TARAN TARAN, DISTRICT AMRITSAR, THRO’ SHRI SAR-
MUKH SINGH, A PARTNER OF THE SAID FIRM—Plaintiff-
appellants**

Versus

**THE MARKET COMMITTEE, TARAN TARAN, THRO;
SECRETARY, MARKET COMMITTEE, DISTRICT AMRITSAR—
Defendant-respondents.**

Judgment (A. N. Bhandari, J.): This appeal challenges the competency of a market committee to direct a transaction for sale and purchase of agricultural produce to be made only within the limits of a market as defined in the Punjab Agricultural Produce Markets Act, 1939.

In 1940 the Market Area Committee of Taran Taran framed a set of bye-laws under the Punjab Agricultural Produce Markets Act, 1939. In 1947 it added a new bye-law in the following terms :

“Sale of agricultural produce by open auction”. 9.A. No transaction involving the sale or purchase of agricultural produce to which these bye-laws apply shall be made otherwise than by open auction. Such auction shall be held during such business hours as may from time to time be fixed by the Chairman of the Committee. The Chairman shall prepare and notify in such a manner as he may consider necessary a roster prescribing the order in which auction sales shall be held at different places

APPENDIX XVIII—*contd.*

in the market and these sales shall be conducted in that order by the auctioneer appointed for this purpose under Rule 28 of the Punjab Agricultural Produce Markets Rules, 1940. Any contravention of this bye-law shall be punishable with a fine which may extend to Rs. 50. In 1955 the Market Committee, Taran Taran, found that due to heavy damage of cotton crop, press holder factories had joined hands and enhanced pressing charges from Rs. 7.50 to Rs. 12 per bale. They formed themselves into a union and controlled the rate of the commodity which affected the interests of the growers adversely. Consequently, on 1st November 1955 the Market Committee passed a resolution for future sales of cotton to be restricted under Bye-law No. 9A to the market alone to promote competition and help the growers to obtain maximum price for their produce.

On 28-2-1956 the plaintiff brought an action for a declaration that they were entitled to buy and sell cotton in their factory and for a permanent injunction restraining the Market Committee from interfering with their right under Bye-law No. 9-A. The trial court granted the declaration prayed and for holding that although the bye-law was valid, the resolution was not in conformity with the provisions of Law. The Lower Court (Appellate) allowed the appeal, set aside the order of the trial court holding the Market Committee competent to frame bye-law No. 9-A and that restriction on the sale of cotton was imposed by the Bye-law of 1947 and not by the resolution of 1955. The plaintiffs have come to this Court in second appeal against this order.

Mr. Mittal for the plaintiffs placed 2 submissions before me. He contends that (1) Bye-law No. 9A does not apply to auctions held outside the limits of the market, and (2) this bye-law is repugnant to the statute as well as to the rules framed thereunder.

The first contention appeared to be wholly devoid of force. The language of the bye-law is plain and unambiguous. It declares that no transaction involving the sale or purchase of agricultural produce under these bye-laws shall be made otherwise than by open auction. Secondly, it provides that such auctions shall be held only during such business hours as may be prescribed by the Chairman of the Committee. Thirdly, it declares that the Chairman shall prepare and notify in such manner as he may consider necessary a roster prescribing the order in which auction sales shall be held at different places in the market, and fourthly, it provides that these sales shall be conducted in that order by the auctioneer appointed for this purpose under Rule 28 of the Punjab Agricultural Produce Markets Rules, 1940. The language of this rule is quite clear that all kinds of agricultural produce to which these bye-laws apply shall be sold at such hours as may be prescribed by means of an auction which will be held within the limits of the market. The expression 'market' as defined in Section 2 of the Act of 1939 means a building, block of buildings, of enclosure or other area which may be so notified in accordance with the rules made under this Act. A market is clearly distinguishable from a "notified market area", that is, an area notified under the provisions of Section 4. The more important question is whether the provisions of this bye-law are repugnant to the provisions of the Act of 1939 or to the rules framed under Section 27 of the said Act. There is nothing in the Act of 1939 to prevent a market committee from directing that all agricultural produce shall be sold by means of auction within the limits

APPENDIX XVIII—*contd.*

of the market. The Act of 1939 was enacted to provide for the better regulation of the purchase and sale of agricultural produce in the Punjab and for the purpose of establishing markets and to make rules and bye-laws for their proper administration. Sec. 27 empowers the State Government to make rules and bye-laws for their proper administration. Sec. 27 empowers the State Government to make rules consistent with this Act from carrying over all or any of the purposes thereof including a rule in regard to time, place and manner in which a contract between buyer and seller is to be entered into and the money is to be paid to the seller. Sec. 28 provides that subject to any rules made by Government under Sec. 27, the market committee may, in respect of the notified market area under its management, make bye-laws for the regulation of business and the conditions of trading and may provide that contravention thereof shall be punishable on conviction with a fine which may extend to Rs. 50. The expressions "regulation of business" and "conditions of trading" are wide enough to embrace a bye-law of the nature under Bye-law 9A. *Prima facie*, Bye-law No. 9A does not appear to be consistent with the provisions of Rule 31 of the rules framed by the State Government under Sec. 27 of the Act. This rule runs as follows :

"31. (i) In any notified market area for which tobacco has been notified as agricultural produce under Section 4, the market committee may prescribe the places at which tobacco may be weighed, measured or sold,

"(ii) Subject to provisions of Sub-rule (1), weighments and measurements of agricultural produce intended for sale may be made through licensed weighmen or measurers anywhere in a notified market area."

Mr. Mittal placed 2 submissions in regard to this rule. It is contended that the express mention of one thing in 31(i) implies the exclusion of another and the market committee has no power to prescribe the places where agricultural produce other than tobacco may be sold. Secondly it is argued that subject to the provisions of sub-rule (i) weighment and measurement of agricultural produce for sale can be made anywhere in a notified market area, and thus the petitioners could sell their goods anywhere outside the limits of the market.

I regret I cannot concur. The principle of interpretation that the express mention of one thing implies the exclusion of another is not a rule of law but a rule of construction. It is a product of logic and commonsense and ought to be applied with care and caution so that a rational interpretation is produced, and the policy of the law maker promoted. If the rejection of the maxim will serve the purpose for which the statute was enacted or will accomplish beneficial results, the maxim must be refuted. It may be that the State Government have empowered market committees to prescribe the places where tobacco may be sold and have declared that other agricultural produce may be weighed and measured anywhere in the notified market area, but they have imposed no restriction on the power of market committees to make bye-laws under sec. 27 or to make any bye-laws concerning the regulation of business or the conditions of trading. The Market Committee in the present case have expressed the view that it was necessary for the protection of the interests of the traders that the sales of cotton should be made only within the limits of the market. It would be in my opinion defeating the object of this

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Act if courts were to hold that market committees have no power to restrict the place in which transactions of sales and purchases should be entered into.

Another objection was also raised that as Bye-law No. 9A has imposed an unreasonable restriction on the liberty of the plaintiffs to carry on their trade, the provisions of Article 19 of the Constitution have been violated. Objection in regard to the unreasonable nature of the restrictions imposed by this bye-law was not taken either before the trial court or before the Lower Appellate Court, and I find it impossible on present state of record to come to a clear conclusion as to whether the restrictions are reasonable or otherwise. The plaintiffs would in my opinion be at liberty to move an application under Article 226 of the Constitution if and when they are so advised.

For these reasons I would uphold the order of the Lower Appellate Court and dismiss the appeal with costs. Ordered accordingly.

Dated the 19th September 1957.

6. THE HIGH COURT OF JUDICATURE AT MADRAS (APPELLATE JURISDICTION)

**Mr. Justice Anantanarayanan and Mr. Justice Venkatadri : Writ
appeals Nos. 177 and 182 of 1959**

THE STATE OF MADRAS REPRESENTED BY THE
SECRETARY TO THE GOVERNMENT OF MADRAS, FOOD
AND AGRICULTURE DEPARTMENT, FORT ST. GEORGE,
MADRAS-9 (APPELLANT IN W. A. 177 OF 1959)—2nd
Respondent

THE COIMBATORE MARKET COMMITTEE REPRESENTED
BY ITS SECRETARY, TIRUPUR (APPELLANT IN W. A. 182 OF
1959)—1st Respondent

Versus

SHANMUGA OIL MILLS, ERODE, REPRESENTED BY ITS
PARTNER V. VARADAPPA CHETTIAR.

Introduction.—Appeals under clause 15 of the letters patent have been respectively instituted by the State of Madras and Coimbatore Market Committee, Tirupur, by its Secretary, against the judgment of Hon'ble Mr. Justice Ramachandra Iyer, dated 24-4-1959, and made in exercise of the special original jurisdiction of the High Court in W.P. No. 606 of 1957 presented under Art. 226 of the Constitution of India to

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issue a writ of mandamus directing the Coimbatore market Committee by its Secretary to forbear from enforcing its notice S. No. 610 dated 11-7-1957 calling upon Shanmuga Oil Mills, Erode, by its partner Varadappa Chettiar to pay cess for the groundnuts purchased from 23-11-1955 to 30-6-1957 under Sec. 11(1) of the Madras Commercial Crops Market Act, 1933, and Rule 28(1) of the Madras Commercial Crops Market Rules, 1948, and Bye-law 23 of Coimbatore Market Committee Bye-laws and grant costs of the petition.

Out of four arguments put forward by the petitioner before the learned Judge Ramachandra Iyer, two have been accepted by the learned Judge to the effect that (a) the unchannelled and unlimited delegation of power to the Executive to fix the rate of tax as it pleases was unconstitutional and illegal, and (b) upon the facts of this particular demand, the Market Committee could not rely upon the retrospective validation enunciated in Sec. 10 of the amending Act 33 of 1955. These two are the grounds which raise the present appeals.

Decision.—The learned Judges, Justice Anantanarayanan and Venkatadri, J., indicated their view as being in conformity with that of the learned Judge Ramachandra Iyer and dismissed the writ appeals. Held that the parties will bear their own costs.

Order.—Validity of the demand to pay cess to the Market Committee for the groundnuts purchased from 23-11-1955 to 30-6-1957 under Sec. 11(1) of Madras Act, Rule 28(1) of the Madras Rules and Bye-law 23 of the Coimbatore Market Committee Bye-laws, was contested on behalf of Shanmuga Oil Mills by Shri Nambiar, Advocate, before the learned Judge upon the following grounds:

Firstly, it was urged that the amendment of Sec. 11(1), under which what was originally levied and sought to be collected as a fee was made a tax, was a colourable piece of legislation intended to circumvent the decision of this court which declared the invalidity of the levy as a fee in *Kuttikeya versus The State of Madras*.

Secondly, it was argued that the levy under Sec. 11(1) would be invalid even as a tax, as such a tax would not be included in the Consolidated Fund of the State to which all taxes levied by its legislature should go under Art. 266.

Thirdly, the delegation of the power to fix the rate of tax to the Executive was illegal and unconstitutional, thereby rendering the entire provision void in law.

The fourth argument proceeds to the root of the matter as regards the present demand, namely, that the demand itself being for a period anterior to the notification by Government on 28th August 1958 fixing the rates of levy of cess in pursuance of the authority vested in them under Sec. 11(1), namely, the period 23-11-1955 to 30-6-1957, it was not saved by the retrospective validation of Sec. 10 of the amending Act 33 of 1955. The argument is that the liability to pay the tax did not arise until the rates were fixed, and the Market Committee therefore possessed no rights to levy any tax or fee, whichever it might be termed under Rule 28(1) of the Madras Rules, 1948, and Bye-law 23 of the Coimbatore Market Committee Bye-laws.

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Of these arguments before the learned Judge, the first two set forth above were rejected by him for the detailed reasons to be found in the reported judgment *Shanmuga Oil Mills versus Market Committee* (A.I.R. 1960 Madras 160), so the learned Judges found no need to go further in the matter in respect of the first two.

For the purpose of the present appeal, the other two arguments, third and fourth, had been taken up for discussion by the Hon'ble Judges.

While arguing the case the learned Advocate General for Government had relied upon the provisions of Sec. 10 of the Act 33 of 1955 as well as the principles of Sec. 18 of the Madras General Clauses Act (Act 1 of 1891), though this demand relates to the anterior period 23-11-1955 to 30-6-1957, in accordance with rule 28(1) of the Madras Rules and Bye-law 23 of Coimbatore Market Committee Bye-laws, as they originally stood. Nevertheless it must be held valid and saved by the operation of the Secs. of law cited. If the argument is not to be accepted the writ appeals will have to fail upon this broad issue of fact.

The learned Judges inclined to agree with the learned Judge that Sec. 10 of the amending Act 33 of 1955 will not operate to save the demand in this case, even in conjunction with the principle of Sec. 18 of the Madras General Clauses Act, which has been relied on by the Advocate General. They thought, the attempted assessment in the present case cannot be supported as valid and legal, having reference to the period to which the transactions relate, the fact that Govt. issued notification only much later (23-8-1958) fixing the rates of levy of cess on goods bought and sold within the notified area and in the light of the actual provisions of the amending Act 33 of 1955. The argument of the learned Advocate General is that this is an interregnum with ref. to which the old rule 28(1) of Madras Rules, 1948 and Bye-law 23 of Coimbatore Market Committee bye-laws must be deemed to have continued in operation and effect, vesting the Market Committee with the jurisdiction to levy these old rates.

Under Sec. 11(1) of the Madras act as it stood, the Market Committee was empowered, subject to such rules as may be made in this behalf, to levy fees on the notified commercial crop or crops bought and sold in the notified area at such rates as it may determine. There was a proviso to the effect that until the Market Committee determined these rates, the fees should be levied at the rates specified in the schedule to the Act. The learned Judge held *inter alia* that the provisions of the Act under sec. 11 and I-A rules 28(i) and 28(3) providing for the levy of fees on notified commercial crops bought and sold in the notified area were not repugnant to Art. (2) of the Constitution, but that the amounts collected were really of the character of taxes and not mere licence fees, they being in the nature of sales tax. That levies under rule 28(3) and Sec. 11A actually made could be held valid only to the extent to which they were for services rendered. The learned Judge further stated on 13-3-1956, the Director of Agriculture approved of the amendment of Bye-law 23 of Coimbatore Market Committee Bye-laws extracted earlier, by which the word 'cess' was substituted for the words 'fees' and 'fee' wherever they occurred. G.O. Ms. 1741 dated 13-7-1956 similarly amended rule 28 of the Madras Commercial Crops Market Rules, 1948. The Market Committee made the present demand upon the respondent

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on 15-7-1959 with regard to transactions in groundnut from 23-11-1955 to 30-6-1957 at the rates provided for by the old Rule 28(1) of the Madras Rules, 1948, and the old Bye-law 23 of the Coimbatore M.C. Bye-laws. The learned Judge has emphasised that no reasonable construction of Sec. 10(1) of the amending Act 33 of 1955 would validate this demand. He stated, "that Section would only apply to the case where a fee had been levied and collected, and not to a case like the present one where the market committee is only seeking to enforce a liability."

The learned Advocate General argues that there are several notifications of the Central Government with regard to rates of levy, or acts done, under prior repealed enactments during a period of interregnum which have been held valid (*M.P.V. Sundara Ramier & Co. versus The State of Andhra Pradesh*). But obviously each instance will have to be judged upon its own merits. The learned Judges accepted that the contemplated demand or assessment in this case could not be considered as valid or saved by Sec. 10(1) of the amending Act. On this ground alone, the writ appeals have to fail.

As regards the last point, the learned Judge had pointed out the broad principle that delegated legislation would not be valid, where it amounts to a total abdication of the function of the legislature in favour of the executive authority. It has been laid down in several decisions both in the United States of America and in this country.

Their Lordships observed citing *Locke's Appeal* 72 PA 491 and *Field & Co. versus Clerk* (1892) 143 U.S. 649:

"The legislature cannot delegate its power to make a law but it can make a law to delegate a power to determine some fact or state of things upon which the law makes or intends to make its own action depend...."

Justice Cardozo in *Scheter Poultry versus The United States* (195 U.S. 495 P. 551):

"The delegated power of legislation which has found expression in this code is not canalised within banks that keep it from overflowing. It is unconfined and vagrant... This is delegation running riot. No such plentitude of power is capable of transfer."

In the present case the learned Judges justified the decision of the learned Judge (Ramachandra Iyer, J.) stating that the delegation was unconstitutional. The Advocate General, no doubt, contends that the legislature had thought it fit to invest the State Government with the power instead of an organisation like the Market Committee, as formerly, and that the limits must be discerned in the purposes for which the monies so paid are to be expended, as set forth in Sec. 13.

The learned Judges add that they should ordinarily expect the State Government to exercise its power to fix the rates of tax in a reasonable, and not in an arbitrary and excessive manner. Anyway, they have

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not accepted since the legislature is abdicating an essential function. In the observations of the Supreme Court in *Pandit Banarsi Das versus the State of Madhya Pradesh* it was observed that Bose, J., in his judgment expressly reserved his view about the validity of the delegated legislation. It was in the nature of *obiter dictum*.

For these reasons the learned Judges were in agreement with the view of the learned Judge (Ramachandra Iyer, J.) with regard to the other ground also. Some indication of limit, or some principle with reference to which the executive should determine the rates must be evident in a sec. of law delegating the power of taxation, before the delegation could be held constitutional. The sky would be the only conceivable limit and the executive might act in the exercise of an altogether unchannelled power and still claim legality, and this should be interpreted as amounting to a virtual abdication of its function by the legislature and hence as unconstitutional. This was the view held by the Hon'ble Judge which is in agreement with the view expressed by the learned Judge (Ramachandra Iyer, J.).

But writ appeals failed on the shorter ground of facts itself and therefore they were dismissed.

7. THE HIGH COURT OF ANDHRA PRADESH, HYDERABAD

Writ Petitions Nos. 74, 75 and 76 of 1960

W.P. No. 74 of 1960

(24th October 1960)

KINDURU BUTCHIRAJALINGAM—Petitioner

Versus

THE MARKET COMMITTEE, WARANGAL, REPRESENTED
BY ITS SECRETARY—Respondent.

Introduction.—Writ petition under Art. 226 of the Constitution was filed challenging the legality of the Notice No. 5987, dated 4-1-1960, served on the petitioner by the Market Committee, Warangal, demanding the payment of various sums as market fees in respect of commodities brought by them into the Municipal limits of Warangal, which has been declared and notified as 'market yard' by the Government in exercise of the powers vested in them by Sec. 3 of the Hyderabad Agricultural Markets Act (Act II of 1330 F.) and Rule 2 of the Rules framed thereunder. The petitioners prayed for the issue of a writ of certiorari to stop the demands of the respondents.

Facts.—The petitioners in W.P. 74, 75, 76 are traders registered under Rule 7 of the Hyderabad Agricultural Market Rules. They own rice and oil mills in Warangal town. They buy paddy and groundnut at

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Warangal and also at places outside Warangal. The stocks purchased outside are brought into Warangal, stored in godowns, and after being hulled into rice and crushed into oil are sold. It would appear that the petitioners executed deeds as required under Rule 7, agreeing among other things to pay the market fees as levied under Rule 40 of the Rules. The rate of fees which is very low and is prescribed by Rule 40 at $\frac{1}{4}$ per cent *ad valorem* on the agricultural produce brought into the market, was being paid by the petitioners ever since Warangal was declared a market yard.

Judgment.—The contention of the petitioners raise two points; firstly, that the Government have no power to notify the whole municipal areas of Warangal as a market yard (the said notification was published in Hyderabad Government Gazette on 6-1-1955) and so doing they have ignored the distinction between 'market', 'market yard' and 'market proper'; and secondly, that for the levy the market committee should provide godowns for storage of commodities brought into the market yard and since no godowns had been constructed by the Market Committee, the levy of fees for storage of agricultural produce in the private godowns of the petitioners is illegal.

In considering the first contention his Lordship stated that the object of the Act according to the preamble is to make provision for the establishment of open markets for the purchases and sales of cotton and of other agricultural produce and livestock in the State of Hyderabad and for the better regulation of such markets. By the impugned notification, the whole of Warangal municipal limits have been declared as a 'market' for agricultural produce and cotton as per Sec. 3 of the Act. It should be seen from Rule 2 of the Hyderabad Agricultural Market Rules [including clauses (d), (e), (f)] that market yard included both the cotton and grain market yards. So the above two clauses read with the given explanation enable the Government to notify a given area as a 'market yard' and the extent of the area is not delimited or circumscribed. It is left to the discretion of the Government. So 'market' and 'market yard' are co-terminous. There is no force in that contention.

As regards the second point, the petitioners argued that since fees are leviable on agricultural produce coming into market yard for storage in godowns, the market committee cannot charge fees without providing godowns. This contention is based on a misapprehension; firstly, the clause does not say 'storage' in godowns established by the Market Committee; secondly, the antithesis is between storage and immediate sale and not between storage in godowns provided by the Market Committee and storage elsewhere; and, thirdly, the nature and quantum of the fees levied rule out the idea of the fees being in the nature of rent for the use of godowns provided by the Market Committee. This can be clearly seen by Rule 40 of the Rules.

Order. All these writ petitions 74, 75 and 76 have been conveniently disposed of by this single judgment since common questions have been raised in all of them. Writ petitions, in the result, are dismissed with costs.

APPENDIX XVIII—*contd.*

8. THE HIGH COURT OF ORISSA

O. J. Cs. Nos. 145, 175 and 176 of 1959, dated 27-4-1960

HRUDANANDA SAHU

Versus

THE STATE OF ORISSA

Introduction.—Writ petition was filed by the petitioners in the High Court of Orissa, challenging the constitutional validity of the Orissa Agricultural Produce Markets Act, 1956 (Orissa Act 3 of 1957), and the Orissa Agricultural Produce Markets Rules of 1958. The contention of the petitioners was that some main operative sections of the Act, *i.e.*, Sections 4 and 12 being void, the whole Act is *ultra vires* of the Constitution, and the rights guaranteed under Art. 19 (1) (g) on free trade were infringed by the Orissa Act, as well as the Rules framed thereunder were quite repugnant to Art. 301 of the Constitution of India as interfering with the freedom of trade within the territory of India.

Decision.—Held that the Orissa Agricultural Produce Markets Act of 1956 and Rules of 1958 were constitutional, valid and *intra vires*. Except for certain minor differences, the Orissa Act and the Madras Commercial Crops Markets Act, 1933, appear to be *phari-materia*. In the result, the petitions were dismissed with costs.

Judgment (Das, J.): In order to provide for the better regulation of buying and selling of agricultural produce and for the establishment of suitable markets therefor inside the State of Orissa, Act III of 1957, was passed and came into force on February 8, 1957. Under Section 3 of the Act the State Government issued a notification declaring its intention of regulating the purchase and sale of certain agricultural produce including jute and subsequently issued a notification under sub-sec. (i) of Sec. 4 of the Act bearing No. 10744-MI-N4/59(D), dated 26th/27th May 1959, declaring an area around Kendupatna to be a market area within which the purchase and sale of jute amongst other agricultural produce is to be regulated. Thus, by virtue of this notification no one within the market area or within a distance thereof, to be notified in the Gazette in this behalf, could set up, establish or allow to be set up, established or continue any place for the purpose of sale of any agricultural produce so notified except under a licence granted by the State Government. A Market Committee was established under Sec. 5 of the Act by the State Government within the aforesaid market area. Under Sec. 12 of the Act, this Market Committee was to issue licences to traders, adatyas, brokers and the like for carrying on their occupation within the area. The Market Committee also had the power to renew, suspend and cancel such licences. Here the petitioner contended that by virtue of the aforesaid notification his right to carry on freely a trade in jute and his right to sell the same grown by him as a producer in a greater competitive market has been infringed, thus encroaching upon his fundamental right to carry on the trade or business under Art. 19(1)(g) of the Constitution of India. The State Government has also framed certain rules known as the Orissa Agricultural Produce Market Rules of 1958 by which the Market Committee is empowered to collect the licence fee from the traders, commission agents, brokers, weighmen, measurers, surveyors and other persons operating in the market area according to

APPENDIX XVIII—*contd.*

the rates specified. It was contended that the rules framed were quite repugnant to Art. 301 of the Constitution as they were interfering with free trade and Sec. 12 which confers on the Market Committee an unlimited and uncontrolled discretion to grant or refuse licences, was void.

The counter affidavit filed by the State Government controverting the several allegations made by the petitioners had stated that any objections contemplated under sub-sec. (1) of Sec. 3 were invited for the declaration of the Government's intention to regulate the purchase and sales in the Kendupatna area. It was also clearly observed that one month's time was specified to receive the objections from the date of issue of Notification No. 7122/D, dated 24-2-1959. No objection was however filed within the stipulated period. Thereafter the Government by its Notification No. M.I.N. 559-23468, dated 24-6-1959, in pursuance of Sec. 5 of the Act established a Market Committee for the market area of Kendupatna as declared in the Notification of the Development Department, No. 19744/D, dated 27-5-1959. The main sources of income of the Market Committee were mainly two: (1) licence fee, and (2) market fee. A major portion of the income of the Market Committee is earmarked for the development work in the market yard such as providing rest shed, cattle shed, auction hall, and sanitary and light arrangements, construction of approach road and to disseminate market news service to the producers and traders as well. Thus, it was contended that the different sections of the Act and Rules made thereunder do not impose any restriction nor do they prevent the producers from their right to sell the jute produced in the main competitive market. The notifications under Secs. 3 and 4 bring direct advantage to the jute growers in the particular area inasmuch as the point of transaction and the place of transaction are localised and unrestricted activities of traders at various points are checked by the market staff.

The Market Committee of Kendupatna area consists of 15 members, out of which seven are agriculturists, four are traders, one representative from a local body as well as one from the co-operatives and the last one is the Regional Marketing Officer and the Sub-divisional Officer, Sadar (Cuttack), as the Chairman of the Committee. Accordingly, in the constitution of the Committee, the agriculturists' interests were safeguarded by adequate representation of 7 members out of 15 as against 4 from traders. Sub-rule (4) of Rule 55 of the O.A.-O.M. Rules, 1958, lays down that the price of agricultural produce brought into the market for sale shall be settled by open auction or by open agreement and not by secret bids and no deduction shall be made from the agreed price of the consignment. Sale by the open auction system is therefore the best method to ensure competitive market and as such the contention of the petitioner that the right to sell jute grown by him as a producer in a competitive market is not infringed in any way.

The producer gets the following benefits for the produce sold by him in the market area under the supervision of the market staff :

(1) Correct weighing; (2) better market price through open auction system; (3) Market charges on weighing, handling, market fees, etc., are clearly defined; (4) undue deduction on driage and samples as prevalent in the present system are strictly prohibited;

APPENDIX XVIII—*contd.*

(5) arrangements are made for settlement of disputes regarding quality and weight and deduction, etc.; (6) display of correct market information in the market yard; (7) quick payment; (8) amenities such as rest houses, cattle sheds, drinking water, etc.

The activities of the traders are only restricted within the market proper in accordance with the provision of Rule 55 wherein they cannot purchase the notified commodities but can take the produce of sellers on pledge.

On the other hand, the trader can purchase outside the limits of the market proper without any restriction, but nominal market fees as provided in the bye-laws are to be paid by the trader for such purchases outside the market proper. Thus, the right to sell jute grown by the petitioner as a producer or as a trader is not infringed. The State Legislature is empowered to impose reasonable restrictions on the freedom of trade within the State in the public interest, by virtue of clause (b) of Art. 304 of the Constitution. The petitioners have not yet applied for licences. The Market Committee, it was contended, had no unrestricted powers since all their various actions are controlled by the State Government under Sec. 25 of the Act.

The sole contention raised by the petitioners was that the operating Secs. 4 and 12 being void, the whole Act is *ultra vires* of the Constitution. In the course of argument, the Counsel for the petitioner stated that the Act is reasonable but the working of it is unreasonable. He contended on behalf of the petitioners that unreasonable restrictions have been put on *retail sales* by the producers. According to them the retail sale should have been completely exempted. Sub-sec. (4) of Sec. 4 empowers the State Government with unrestricted right in matters of issuing licences. The other contention in respect of market fee as contemplated under Rule 48 of the Orissa Agricultural Produce Markets Rules, 1958, was that it was in the nature of a tax and not a fee.

'Retail sale' has been defined in the Orissa Act under Sec. 2(1) (xii) to mean a sale of any agricultural produce not exceeding such quantity as the Market Committee may, by bye-laws made under Sec. 28, determine to be a retail sale in respect of such agricultural produce. The quantity of retail sale has been fixed by the Bye-laws. The whole argument centres round sub-secs. (3) and (4) of Sec. 4.

The State Government may by notification declare the area specified in the notification under Sec. 3 or any portion thereof to be a market area for the purpose of this Act in respect of all or any of the kinds of agricultural produce specified in the said notification. It may also be published in the regional language. On and from the date of notification issued under sub-sec. (1) of such later date as may be specified therein, no local authority, notwithstanding anything contained in any other law for the time being in force, and no other person shall within the market area or within a distance thereof to be notified in the Gazette in this behalf in each case by the State Government set up, establish or continue or allow to be set up, established or continued or any place for the purpose of sale of any agricultural produce so notified, except in accordance with the provisions of this Act, Rules and Bye-laws and the conditions specified

APPENDIX XVIII—*contd.*

in the licence. It seems that sub-sec. (3) of Sec. 4 corresponds to Sec. 5 of the Madras Act and the provisions of sub-secs. (1) and (3) of Sec. 5 of the Madras Act correspond to sub-sec. (3), the explanation thereto and sub-sec. (4) of Sec. 4 of the Orissa Act. It is also fairly clear from the explanation to sub-sec. (3) that a local authority or any other person shall not be deemed to set up, establish or continue or to have allowed to be set up, established or continued a place as a place for the purchase and sale of agricultural produce within the meaning of Sec. 4. It further provides that if a seller is himself the producer of the agricultural produce offered for sale at such place or any person employed by such producer to transport the same and the buyer is a person who purchases such produce for his own private use or if the agricultural produce is sold by retail sale to a person who purchases such produce for his own private use. Thus adequate protection has been given to the producers within the market area. The object of this was to provide better regulation of buying and selling of agricultural produce. Thus the State Government has, under sub-sec. (4) of Sec. 4, the right to suspend or cancel any licence granted under sub-sec. (3) after giving an opportunity to the licensee to be heard. The object of the Act being regulatory, it cannot be said that sub-sec. (4) imposes any unreasonable restriction in matters of regulating buying and selling of agricultural produce in the State. So Sec. 12 cannot be struck down as unconstitutional which merely empowers the Market Committee to issue licences to brokers and weighmen. Similarly, Rule 48 provides for the realisation of market fees as it says that the Market Committee shall levy and collect fees on agricultural produce brought and sold in the market area at such rates as may be specified in the bye-laws. The market committees shall also levy and collect licence fees from traders, general commission agents and brokers, etc., according to the rates specified. Sub-rule 4 says that the seller who is himself the producer of the agricultural produce offered for sale and the buyer who buys such produce for his own private and/or household use shall be exempted from payment of any fees under this Rule.

It was contended that no corresponding benefit has been provided by the Market Committee for the levy and collection of fees on agricultural produce brought into the market area, for purposes of export. It was stated that the market fees collected were earmarked for the development work in the market yard as stated before. Hence Rule 48 cannot be *ultra vires*.

Part XIII of the Constitution deals with trade, commerce and intercourse within the territory of India. Art. 304 is a suitable one here to be discussed. It says that notwithstanding anything in Art. 301 or Art. 303, the legislature of a State may by law impose on goods imported from other States such reasonable restrictions on the freedom of trade as may be required in the public interest. Clause (6) of Art. 19 lays down that nothing in sub clause (g) shall affect the operation of any existing law insofar as it imposes or prevents the State from making any law imposing, in the interests of the general public, reasonable restrictions on the exercise of the right conferred by the said sub-clause.

It is well settled that in order to be reasonable, a restriction imposed must have a rational relation to the object which the legislature seeks

APPENDIX XVIII—*contd.*

to achieve and must not go in excess of that object as Patanjali Sastri C.J., has stated in the case of *The State of Madras versus V. G. Rao*.

The decision was reiterated by the Supreme Court in the case of *Aruna'ala Nadar versus The State of Madras*. In this case the constitutional validity of the Madras Commercial Crops Markets Act of 1933 was challenged. Held that the Markets Act was the result of a long exploratory investigation by experts in the field, conceived and enacted to regulate buying and selling of commercial crops by providing suitable and regulated markets by eliminating the middle men and bringing face to face the producer and the buyer so that they may meet on equal terms, thereby eradicating or at any rate reducing the scope for, exploitation in dealings. Such a statute cannot be said to create unreasonable restrictions on the citizens' right to do business unless it is clearly established that the provisions are too drastic.

Reliance was sought to be placed on a case of the Bombay High Court reported in *Bapur Bhai versus The State of Bombay*. Chagla, C. J., in that case held that it is true that when a restriction is imposed upon the right of the citizens, guaranteed to him under Art. 19, it is for the State to justify that restriction. But whether a restriction is reasonable or not must be judged not in the abstract but in the context of the times and in the context of social needs and social urges. A restriction which may be unreasonable at a particular juncture of time, may be reasonable at a different point of time, and therefore there is no absolute yardstick by which one can test as to whether a restriction is reasonable or not. This decision, far from supporting, militates against the contention of the petitioner.

Regarding the invalidity of Rule 48, the petitioner sought to rely upon the recent decision of the Mysore High Court reported in *Firm of Faruk Anwar, C. versus Market Committee, Raichur*. In that case the learned judge of the Mysore High Court, while considering Rule 40 framed under the Hyderabad Agricultural Produce Markets Act (1939), went into a discussion regarding the distinction between tax and fee and held that there was no *quid pro quo* for the produce that had been purchased outside Raichur and brought for the purpose of consumption, the fees levied thereon were unjustifiable and without jurisdiction. This case cannot be compared to the present case since under Rule 48 of the Orissa A.P.M. Rules, 1959, the corresponding benefit has been given to the citizen in respect of the fees collected. The law is well settled regarding the differentiation between tax and fee. In view of the facts in the present case the impugned imposition cannot be held to be a tax.

Thus the Law in this behalf having been clearly laid down by the Supreme Court in A.I.R. 1959 S.C. 300 in holding the Madras Act XX of 1933, which is *pari materia* with the impugned Orissa Act, to be *intra vires* of the Constitution, there does not appear any force at all in the contentions raised by the petitioners. In the result, the petitions are dismissed with costs.

APPENDIX XVIII—*contd.*

9. THE HIGH COURT OF MYSORE AT BANGALORE

Writ Petition No. 197 of 1961

M. S. SHIVNANJAPPA & CO., BY MANAGING PARTNER
M. S. SHIVNANJAPPA, MERCHANT, TIPTUR—Petitioner*Versus*1. THE TIPTUR AGRICULTURAL PRODUCE MARKET
COMMITTEE, TIPTUR, BY ITS CHAIRMAN

and

2. THE GOVERNMENT OF MYSORE BY ITS CHIEF
SECRETARY, VIDHAN SOUDHA, BANGALORE—Respondents.

Introduction.—Writ petition filed under Art. 226 of the Constitution of India praying to issue a writ of certiorari or any other order (1) declaring that all provisions in “The Agricultural Produce Markets Act, Mysore, 1939” and “The Mysore Agricultural Produce Markets Rules, 1947” and also Bye-laws of Tiptur Agricultural Produce Markets Committee as unlawful and void ; (2) to prohibit first respondent or any other person like municipal servants or police from preventing the produce intended to be disposed of by the petitioners in Tiptur town. Likewise, all the other writ petitions Nos. 131, 181, 194, 195, 196 of June 1961 are filed.

Facts.—Under the provision of Sec. 4 of the Mysore Agricultural Produce Markets Act, 1939 (Mysore Act No. XVI of 1939), by notification issued by the Government of Mysore on September 30, 1948, the entire area constituting the Municipality of Tiptur town was declared to be a market established under the provisions of the Act, for sales and purchases of agricultural produce. Under Sec. 5 of the Act, the Market Committee, whose duty it was to enforce the provisions of the Act and the Rules and Bye-laws made thereunder, was constituted on October 19, 1948. About the year 1953 a large area of land measuring 56 acres and 25 guntas was acquired by the Market Committee for the purpose of constituting and setting up a market yard within which sales and purchases of agricultural produce had to be made. In the year 1958 some sites out of the land acquired by the Market Committee were allotted to the various merchants of Tiptur town who were licensed traders so that they might, on those sites so allotted to them, erect buildings for storing agricultural produce and for transacting their business as embodied in Sec. 31 of bye-laws made by the Committee. Out of 110 licensed traders, 86 traders have purchased 108 sites. 40 out of 86 traders have constructed godowns and further 30 godowns were under construction there.

The purpose for which the market yard has been set up by the Market Committee is to enforce the provisions of the Act and in particular those of Sec. 17 which prohibit the establishment by a person of a private market within the area of the statutory market established under Sec. 4.

Thereafter, when a meeting of the Market Committee was held on September 23, 1959, the merchants of Tiptur town agreed to shift their trade by March 1, 1960, into the newly established market yard and applied for time for that purpose. The Market Committee passed a resolution on that date, granting the time which the merchants wanted. Instead of shifting their trade into the market yard, the traders of Tiptur

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town went on a deputation on 15th March, 1960, thro' their representatives to the Minister of Cooperation with a request to allow their trading in the town itself from 1-4-1960 to the end of September, 1960, and also represented that they would shift their trade to the market yard on 1-10-1960 permanently without any condition attached. The Minister granted permission.

In the meanwhile the Market Committee passed a resolution on 14th September, 1960, to open the market yard on 21st January, 1961. Accordingly, the opening ceremony did take place on 21st January 1961. The Chairman of the Market Committee thereupon issued a proclamation that every merchant of Tiptur town should sell or purchase the declared agricultural produce in the precincts of the new market yard and not outside of it. Some of the merchants shifted their business into the market yard on that day.

Nine petitioners in these cases have presented their writ petitions with the complaint that the Market Committee could not insist on their transacting their business in the market yard, and also contended that the Chairman was not competent enough to insist upon. It was also urged that although a market has been established under Sec. 4 and a market committee has been constituted under Sec. 5, there was no market yard established or created in which alone the petitioners could be required to buy or purchase the declared agricultural produce. Their contention was that if the Market Committee sets apart a market yard with all the facilities and amenities which they are bound to afford to the businessmen of Tiptur town, then it could be said that a market yard has been properly established under the provisions of the Act. Their further complaints against the Market Committee were that the premises were not enclosed with walls and railings, and no provision for storage facilities, no water troughs for the use of cattle, no metal roads in the premises, no building for office, no buildings for holding auction, no sheds for tethering the cattle, no satisfactory conservancy arrangements, were made and there were no security arrangements.

Judgment (Somanath Iyer, J.): The petitioners did not contend that the Mysore Agricultural Produce Markets Act is an unconstitutional piece of legislation. This contention was not either urged or argued. Thus the learned Judge proceeded on the footing that the Act is a perfectly constitutional piece of legislation. It has also not been contended that there has been no declaration under Sec. 4 of the Act establishing a market and it was also not disputed that under the provisions of Sec. 5 of the Act, a Market Committee has been properly constituted. Therefore, his Lordship took that the market has been established by a notification properly made for that purpose under Sec. 4 of the Act.

The argument presented as regards the proper market yard was said to be irrefragable, since if there was a market properly established and there was a market yard also established in that way by the Market Committee no one could contend that the provision of Sec. 17 of the Act is unconstitutional. If there was a properly established market yard, then there would be the end of these cases.

The dispute was only that those premises were so deficient and so unsatisfactory in regard to the many matters stated above.

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It was urged that if the market yard was not enclosed by walls and railings, there was every likelihood of agricultural produce being subject to theft and incendiarism. The fact that a market is so described in rule 4(1)(a) does not, in his Lordship's opinion, lend support to the contention that every market yard set apart by a market committee for sale and purchase of agricultural produce must in the first instance be enclosed by walls and railings, before it could be called a market yard and before obedience to Sec. 17 of the Act could be insisted upon. It was not the intention of the State Government when it made Rule 4(1) (a) to insist upon every market yard established by every market committee, under the provision of the Act, being surrounded by walls and railings. It was also explained that the Market Committee has no sufficient funds for that purpose. Their Lordships suggested to the Market Committee to approach the State Government for financial assistance. Omission on the part of the Market Committee in this case could not constitute a ground on which the petitioners in these cases could refuse to shift their trade to the market yard.

Coming to the next point, considerable reliance was placed on Rule 53, the meaning of which, according to the petitioners, was that the construction of buildings for storing agricultural produce was the duty and responsibility of the market committee. The interpretation of Rule 53 was sought to be reinforced by Bye-law 31 of the Bye-laws made by the Committee. There was likewise nothing in Bye-law 31 to support the contention of the petitioners, and to some extent it was clear that the Bye-law is entirely destructive of the argument advanced by the petitioners. What the scheme of the Act enjoins when read with Rule 53 and Bye-law 31 is and what the Market Committee is bound to do would be to allot a site to a businessman who wishes to have one so that he may construct his own building for storage facilities and register that building under the provisions of Bye-law 31 as a place where he may store his agricultural produce. It was clear thus that 86 out of the 100 licensed traders who wished to transact business within the market yard understood the rule. 40 out of them have constructed their own godowns and 30 others are still constructing. To throw that responsibility on the Market Committee is to throw on the Market Committee an unreasonable and heavy burden which in the learned Judges' opinion was not justified. Out of nine petitioners, six of them have constructed godowns, and three of them have not, although one of those three did purchase a site, but did not construct the godown for his use.

The third grievance regarding water troughs, it was observed clearly through a photograph produced, and it showed a trough of considerably large dimensions constructed in the market yard, and that photograph contained pictures of the bullocks helping themselves to water out of that trough. It was also stated by the Market Committee, that if additional necessity arises it would construct some more troughs.

As regards the complaint that the Market Committee has not even constructed an office building was controverted by the Market Committee stating that it has constructed an office building at a cost of Rs. 49,000. In fact the office located in the building as per the statement of the Secretary of Market Committee was believed.

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It was urged that the Market Committee has not provided accommodation for the holding of auctions which have to be conducted in the market yard. The photograph produced on behalf of the Market Committee proved that there were three zinc-sheet sheds, each measuring 165 feet by 35 feet. It was then argued that the diversion of the cattle sheds for holding auctions have deprived the cattle of the place where they could get shelter against sun and rain. The answer to this argument was what has been mentioned on behalf of the Market Committee that a large number of trees more than eight years old in the market yard are providing shelter to the bullocks and it was also believed.

The next complaint was that there were no satisfactory conservancy arrangements in the market yard. The statement made by the Secretary, Market Committee, that six lavatories in the vicinity of the market yard were constructed by the Municipal Council along with latrines constructed by the merchants attaching to their own godowns, was undoubtedly believed.

Omission on the part of the Market Committee to metal the roads was not disputed but they urged that the roads are in a sufficiently satisfactory condition. For this the communication by the Municipal Council to the Secretary of the Market Committee, informing him that the metalling of the roads is being proceeded with, constituted a complete answer to the complaint made on behalf of petitioners. That work was also entrusted to the six contractors.

The only other matter left to be discussed was that the security arrangements made by the Market Committee within the area of the market yard are not sufficient. It was told that a Gurkha watchman has been employed by the Committee and that a constable has also been permanently posted for that purpose. It was also stated that the Market Committee moved the Government for sanctioning a police outpost which did not yet materialise. Also, there were no instances where theft and incendiarism occurred ever since the market started functioning, transacting a business of 1,543 bags of copra worth Rs. 1,40,000 and 70 carts of broomsticks.

Conclusion.—This was the end of these cases, and the writs prayed for by the petitioners had to be refused.

Order.—Their Lordships of the Mysore High Court dismissed the writ petitions without costs.

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10. THE HIGH COURT OF JUDICATURE AT PATNA

(29th November, 1964)

Misc. Judicial Case No. 1100 of 1964

THAKUR PRASAD GUPTA AND OTHERS—Petitioners

Versus

THE STATE OF BIHAR AND ANOTHER—Respondents.

Introduction.—A writ petition was filed by the petitioners requesting for grant of a writ of certiorari under Art. 226 of the Constitution, as they were infringed of the fundamental right to carry on business guaranteed by Art. 19(1) (g) of the Constitution of India, by the provisions of Bihar Agricultural Produce Markets Act (Bihar Act XVI of 1960) which imposed unreasonable restrictions on the right of their trade.

Facts.—The petitioners are traders and commission agents for the sale and purchase of agricultural produce in Buxar in Shahatad District. The Market Committee, established by the State Government of Bihar under the provisions of the Act, in view of enforcing the provisions of the said Act, issued a notice on 29-3-1964 requiring the petitioners to obtain a licence for trading in agricultural produce. It was contended :

- (i) The notification of the State Government declaring the market area under Sec. 4 of the Act and the action of the Market Committee in asking the petitioners to take out licences are *ultra vires* and illegal and must be quashed by a writ of certiorari under Art. 226 of the Constitution.
- (ii) The petitioners' contention was that the Market Committee has no lawful authority to levy and collect the market fees on the agricultural produce brought in the market area, and the provisions of Rule 61 empowering the Market Committee to do so are *ultra vires* and illegal.
- (iii) The next question presented for determination in this case is whether the provision of Sec. 4 of the Bihar Act empowering the State Government to declare a market area in respect of all or any of the kinds of agricultural produce specified in the notification is constitutionally valid. It has been also stressed by the petitioners that the restrictions imposed by Sec. 4, read along with Sec. 15 of the Act, are unreasonable as there is an infringement of the fundamental right guaranteed under Art. 19(i)(g) of the Constitution.
- (iv) Their next submission is that no market has been established by the Market Committee under Sec. 18(ii) of the Act and so the Market Committee has no power to levy and collect market fees on agricultural produce under Sec. 27 of the Act.
- (v) No facilities have been provided by the Market Committee for regulation of trade in the market.
- (vi) The provisions of Bihar Act XVI of 1960 violate the freedom of trade and commerce contemplated by Art. 301 of the Constitution as the previous sanction of the President for the introduction of the Bill was not taken; hence the Statute is not saved by the provisions of Art. 304(b) of the Constitution.

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- (vii) Finally it was submitted that the Market Committee could not issue licences under Rule 71 unless a market had been previously established.

Judgment (Ramaswami, C. J.) : In order to appreciate the constitutional questions raised, their Lordships have necessarily taken up the relevant provisions of the impugned Act and after deep study have arrived at the following decisions :

As regards the contention of the petitioners [stated under (i) to (iii)] the learned Judges were unable to accept the argument as correct. It was also stated that the same question had been fully covered by the decisions of the Supreme Court in *M. C. V. C. Arunachala Nadar and another versus The State of Madras and others* (A.I.R. 1939 Supreme Court 300) and *Mohammaden Hussain Gulam Ahmed and another versus The State of Bombay and another* [1962(2) Supreme Court Reports 659]. In the first case, the question at issue was the validity of the Madras Commercial Crop Markets Act, 1933. It was contended on behalf of the appellants in the Supreme Court that the State imposed unreasonable restrictions on the fundamental right of the appellants to carry on business. The argument was rejected by a unanimous Bench of the Supreme Court, and it was held that the impugned provisions of the Act imposed reasonable restrictions on the right to business, and were constitutionally valid. The same principle was laid down by the Supreme Court in the latter case also, where the question on the constitutional validity of the Bombay Act, 1939, was debated before the Supreme Court. The Act was passed by the Bombay Legislature to provide for better regulation of buying and selling of agricultural produce in the State of Bombay and the establishment of a market for such produce. Sec. 3 of the Act provided for the constitution of markets and market committees and gave power to the Commissioner to notify the market area, and objections and suggestions, if any, were invited within a month of the notification. Thereafter, the Commissioner, considering the objections and suggestions, if any, and after holding such inquiry as may be necessary, declares the area under Sec. 4(1) to be a market area. After the market area was declared, Sec. 4(2) laid down that no place in the said area, subject to the provisions of Sec. 5-A, be used for the purchase and sale of agricultural produce specified in the notification; after that, the State Government was given power under Sec. 5 to establish a market committee for each market area. Under Sec. 5-AA, the Market Committee is to enforce the provisions of the Act and establish a market therein as required by the State Government, providing such facilities as the Government may direct from time to time, in connection with sale and purchase of agricultural produce. The petitioners challenged the validity of the Bombay Act and the Rules framed thereunder, and in particular Secs. 4, 4A, 5A and 5AA. The main provisions of the Bihar Act with respect to declaration of market area, namely, Secs. 4 and 15, are similar in material aspects to Secs. 4, 4A, 5A and 5AA of the Bombay Act and is also manifest that the impugned provisions of the Bihar Act are also similar in material aspects to those of Madras Act of 1933 and the ratio of the Supreme Court decision in *M.C.V.S.A. Nadar versus The State of Madras* also governs the present case. Hence the High Court held that the provisions of the Bihar Act with respect to declaration of market area was *intra vires* and constitutional.

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As regards point (iv) of the contention, their Lordships have seen no warrant for accepting this argument. Sec. 27 of the Act empowers "the Market Committee to levy and collect market fees on the agricultural produce brought in the market area". Rule 61 provides that the Market Committee shall levy and collect fees on the agricultural produce brought in the market area at the rate of 25 nP. per Rs. 100 worth of agricultural produce. There is nothing in the language of Sec. 27 of the Act and/or Rule 61 to suggest that the Market Committee cannot lawfully levy and collect market fees, unless a market has been established in the first instance. Hence the submission of the learned Counsel was rejected.

It was also contended, that Sec. 27 empowered the Market Committee to levy and collect market fees on all agricultural produce brought in the market area and not merely on the agricultural produce specified in the notification under Sec. 4 of the Act. The expression "agricultural produce" is defined in Sec. 2(a) of the Act as including all produce, whether processed or nonprocessed, of agriculture, horticulture, animal husbandry and forest as specified in the schedule. It is manifest that the Market Committee has power to levy and collect market fees only on such agricultural produce as is specified under Sec. 4 of the Act. The reason is that the language of Sec. 27 must be construed *subject materies* in the context and background of other sections of the Act and so construed that the power of the Market Committee to levy and collect market fees under Sec. 27 must be confined to agricultural produce specified under sec. 4 of the Act. The learned Counsel has also referred in this connection to the decision of the Supreme Court in *Mohd. Hussain Gulam Mohd. versus The State of Bombay* with regard to Rule 53 framed under the Bombay Act. It is true that the Supreme Court declared Rule 53 of the Bombay Rules as not valid insofar as it enabled the Market Committee to fix any rate as it liked, but the reason was that under sec. 11 of the Bombay Act, the State Government had to prescribe the maximum rate by rule, and unless the maximum was prescribed by the State Government, it was not open to the Market Committee to fix any fee at all. In the present case the material facts are different as Sec. 27 of the Bihar Act has it self fixed the maximum rate of fees @ 50 nP. per Rs. 100 worth of agricultural produce, and Rule 61 framed by the State Government fixed the fee to be levied by the Market Committee @ 25 nP. per Rs. 100 worth of agricultural produce. The reason of the Supreme Court with regard to Rule 53 of the Bombay Act had therefore no application to the present case.

Taking point (v) under consideration, the respondent has said that the Market Committee has taken steps to safeguard the interests of the agriculturists by appointing the staff in the market to see that the lots of the cultivators are properly weighed, payment by the purchasers quickly ensured and the ruling prices are prominently displayed in the market area. A grading unit has also been set up to educate the cultivators. In addition to the above, a disputes sub-committee has also been formed to settle disputes arising in the market. Reference was also made in this connection to Rule 61 which says about the levy and collection of market fees on agricultural produce by the Market Committee in the market area, and the explanatory note thereof states that sale of agricultural produce shall be deemed to have [Sec. 61(1)] taken place in the market

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area if it has been weighed or measured or surveyed by licensed people in the market area, notwithstanding the fact that the property in the agricultural produce has by reason of such sale passed to a person in a place outside the market area. It shall also levy and collect fees from traders, commission agents, brokers, weighmen and others, operating in the market according to rates specified in sub-rule (3) of Rule 71 and sub-rule (2) of Rule 73. The arguments of petitioners on this point were not accepted by the Court.

In their Lordships' opinion, there is no substance in the argument on the contention submitted by the Counsel as regards point (vi) because in the course of argument the Advocate General had produced letter No. Parl. 6(11)/53 of the Government of India dated 30th September, 1958, to indicate that the sanction of the President under the provisions of Art. 304 of the Constitution was given to the introduction of the Bill in the State Legislature.

Referring to the last point raised in contention (vii), it was argued that Rule 71 was *ultra vires* of Sec. 18(ii) of the Act. In the opinion of the Judges, the argument of the Counsel on this point was well founded. Rule 71(1) states that "no person shall do business as commission agent or trader in agricultural produce in a market area except under a licence granted by the Market Committee under the rule", Sec. 18(ii) of the Act states "where a market is established under sub-clause (i) to issue licences in accordance with the rules to traders, commission agents, brokers, etc., and other persons or firms engaged in the processing of agricultural produce concerned operating in the market".

The Court held that Rule 71 is *ultra vires* for two reasons. In the first instance, the Market Committee has the power to issue licences under Sec. 18(ii) of the Act, only after a market has been established under Sec. 18(i). In the second place the power to issue licences is confined to traders, commission agents, etc., operating in the market. Having regard to the definition of a 'market' in Sec. 2(h) of the Act and 'the market area' in Sec. 2(i) of the Act it is manifest that "market" is a narrower conception than 'market area' and the Market Committee has no proper authority under Sec. 18(ii) of the Act to issue licence to traders, brokers, etc., operating in the market area. For both these reasons Rule 71 is *ultra vires* of Sec. 18(ii) of the Act and was held to be illegal.

Decision.—The High Court held that the challenge made by the petitioners with regard to the constitutional validity of the impugned provisions of the Act and the provisions of Rule 61 fail, but the challenge with regard to the legal validity of Rule 71 succeeds. Hence the Judges allowed the application in part and issued writ of mandamus commanding the respondents not to enforce the provisions of Rule 71 against the petitioners till the market is properly established in law for the market area and till the rule is amended so as to bring it in conformity with Sec. (18)(ii) of the Act.

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11. THE HIGH COURT OF JUDICATURE AT MADRAS

(18th October 1965)

MESSRS. MAHENDRA KUMAR ISHWARLAL & CO.
AND OTHERS, DEALERS IN JAGGERY, VELLORE—Petitioners*Versus*

1. STATE OF MADRAS; AND

2. SECRETARY, NORTH ARCOT MARKET COMMITTEE,
VELLORE—Respondents.

Introduction.—These are all the writ petitions filed by the traders (dealers in jaggery) under Art. 226 of the Constitution of India, praying for the issue of certiorari to quash the validity of the notification issued by the Government declaring North Arcot District as a notified area for the purpose of the Madras Agricultural Produce Markets Act, 1959, in respect of sugarcane jaggery and to call for the relevant records of the State Government and Market Committee and also praying for the issue of a writ of mandamus restraining the respondents from enforcing the provisions of the said Act of 1959, and Rules and Bye-laws made thereunder, in respect of the petitioner's business in the purchase and sale of jaggery.

Facts.—The petitioners are the dealers of jaggery in Vellore in North Arcot District. The earlier Act of 1933, which was the Madras Commercial Crops Act, was repealed by the Madras Agricultural Produce Markets Act of 1959. It came into force from the 22nd of October 1962.

According to the provisions of the repealed Act of 1959, the Secretary, Market Committee, has called upon the petitioners in September and October 1963 to take out a licence for trading in sugarcane jaggery on payment of the prescribed fee.

The petitioners feeling themselves that the impugned legislation imposed unreasonable restrictions on the freedom of their trade and commerce and the notifications and directions issued by the Secretary of Market Committee, in pursuance of the Act, are all invalid and *ultra vires*, have sought for appropriate relief from this High Court.

Points involved :

- (1) The repealed Act of 1959 is primarily intended to apply to agricultural produce and sugarcane jaggery, which is a manufactured product, cannot be brought within the scope of expression.
- (2) The legislation in question is hit by Art. 304. Although the restrictions imposed on the freedom of trade are reasonable, the previous sanction of the President is lacking.
- (3) The Market Committee, which was in existence when the repealed Act of 1959 was passed, was one that was established in respect of groundnut and as such it cannot be deemed to have been validly constituted in respect of another commodity, sugarcane jaggery.

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- (4) Delegation of powers to the Market Committee for levying fees on licences is quite improper.
- (5) Issue of licence by the Market Committee under the Madras Act of 1959 would be in conflict with the Madras Gur and Khand-sari Dealers Licensing Order, 1963, issued in exercise of powers conferred by Sec. 3 of the Essential Commodities Act of 1955.
- (6) There was no notification of intention under Sec. 3 of the 1959 Act to control the marketing of sugarcane jaggery and as such a notification of intention made under the earlier Act of 1933 would not confer validity upon the final order under Sec. 4 of the 1959 Act, i.e., declaration of notified area in respect of any agricultural produce should be preceded by a notification of intention of exercising control over the purchase and sale of agricultural produce in the specified area.

Judgment (Hon. Mr. Justice Srinivasan) : *Contention* (1) : The first contention of the petitioners is that jaggery is a manufactured product, wholly different from the original produce, and even the expression "any other produce processed" cannot include jaggery. Therefore, there would be no power to notify jaggery as a commercial crop under the 1933 Act and equally no power to declare it as an agricultural produce under the 1959 Act.

Decided that the definition of agricultural product consists of two parts: firstly it includes anything produced in the course of agriculture. It also includes any other produce, whether processed or unprocessed declared by the notification to be an "agricultural produce" for the purpose of the Act. The first part of the decision may take in the agricultural produce as such grown upon land, while the second part may take in any processed produce which has been derived no doubt from agricultural produce for the purpose of regulating the market. Jaggery is produced by a process of manufacture.

The learned Judge was unable to agree that in this Act the expression 'processing' must also be regarded as falling short of manufacture. Reference made to the earlier decision in *Hamdard Dawakhana versus Union of India* by the learned Counsel was inconsistent with this present issue and held that the power conferred upon the Government by Sec. 2(1) of the Act is *intra vires*.

Contention (2) : Referring to the decision of the Supreme Court in *Arunachala Nadar versus The State of Madras* it was contended that the provisions of the Act and Rules made thereunder imposed unreasonable restrictions on the fundamental rights to do business.

It was viewed, taking cognizance of Supreme Court's decision, that the provisions which sought to improve trade facilities of the grower did not affect trade or commerce within the State. The notification of markets and fairs is an entry in the State List. It was automatic that the entries in the list, although the legislation may encroach to some extent upon an entry in another list, would give wide interpretation of the dominant object of the legislation to control the places of sale and purchase of the commodities within the scope of the State's power that should be the guiding factor for determining the *vires* of the legislation.

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Their Lordships proceeded to consider whether the restrictions imposed were or were not reasonable. The question was not raised whether the Statute was affected by Art. 304(b).

Held that the Madras A.P.M. Act, which follows the same lines as the Act of 1933, is in no way hit by Art. 304.

Contention (3) : It was contended that if the Committee that has been constituted under the old Act in respect of groundnut is to continue to be the Market Committee under the 1959 Act, there can be no representation of the notified agricultural produce, jaggery, upon such a committee, although it was contemplated by Sec. 8 of the 1959 Act. Hence it was argued that there should be a separate Market Committee for each notified agricultural produce.

Held that a market committee which was established to regulate the marketing of one particular and specified agricultural produce grown or produced in that area can also function for one or more agricultural produce grown or produced in respect of that entire notified area.

If more than one agricultural produce is to be controlled by the legislation in the notified area, the producers and licensees as contemplated by the section shall be represented on the Market Committee. Hence the old Market Committee which shall continue by the saving provisions of the Act may have to be reconstituted in the light of the requirements of the new enactment. *That is a matter of detail which does not affect the validity of the constitution of the Market Committee.*

Contention (4) : The power to fix only the maximum was contained in the old Act but in the new Act the power to fix or regulate annual fee is provided. Argued that the rule which only fixes the maximum (say Rs. 25) and leaves it to the Market Committee to levy any fee within that maximum is not in accordance with Sec. 29(2) (iv) of the Act.

The State has fixed the maximum fee and has left it to the Market Committee to fix such fee as may be necessary, without exceeding the maximum prescribed. Held that there is no ambiguity in the Rule.

Contention (5) : The learned Judge observed that there would be no conflict if the argument is based on practical difficulty of complying with the two requirements under the Madras Act and under the Licensing Order. It is true that the licences have to be obtained from more than one authority, but there can be a single place of business covered by the two licences.

Held that there cannot be any inconsistency between the two Acts when each Act legislates for some aspect which lies within the legislative competence of that legislative authority.

Contention (6) : The last ground of attack is that the earlier notification of declaration of the intention which had been issued under sec. 3 of Act XX of 1933 did not survive the repeal of Act XX of 1933. Hence it is claimed that the notification declaring the notified area is invalid for want of compliance with a statutory requirement of a notification under Sec. 3.

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The Advocate General urged that the saving provision is not exhaustive and the General Clauses Act would step in and save all matters other than those indicated in Sec. 38(2) of the Act.

Held that the contention advanced by the Advocate General finds no support either under law or in decided cases. The operation of the General Clauses Act is attracted only in the absence of anything contrary in the legislation concerned. If the Madras Act of 1959 either said nothing about saving any proceeding taken under the repealed Act or if it said generally that the G. C. Act would apply, then obviously the provisions of the Act would govern the position.

Under the old Act, the Government has issued a declaration of their intention to control the sale of jaggery, etc. That was a statutory declaration called for under Sec. 3 of the Act and unless it was followed by the further declaration under Sec. 4 of that Act, there could not be a notified area in respect of jaggery. In the present case a declaration of intention had been issued under Sec. 3 of the Act of 1933 but it had not been finalised by the further declaration under Sec. 4 of the old Act. But after the passing of the new Act, the Government purported to make the declaration under Sec. 4 of the new Act (same as Sec. 4 of the old Act). This declaration could not validly be made unless it is construed that the earlier declaration under Sec. 3 of the old Act also stood saved.

The effect of repeal and saving was considered in *Indra Sohan Lal versus the Custodian of Evacuee Property*. In that case the Central Act of 1950 repealed the earlier Act and Ordinance and the question arose whether Sec. 6 of the General Clauses Act could be relied upon. Their Lordships referred to an earlier decision in *The State of Punjab versus Mohan Singh*, wherein it was laid down that "when the repeal is followed by fresh legislation on the same subject, we would undoubtedly have to look to the provisions of the new Act but only for the purpose of determining whether they indicate a different intention. The line of enquiry would not be whether the new Act expressly keeps alive old rights and liabilities, but whether it manifests an intention to destroy them. When the repealing section provides for the operation of the previous law in negative terms and the new law in positive terms, then that provision may well be regarded as self-contained and to indicate to exclude the application of Sec. 6 of the General Clauses Act.

The principle of the decision necessarily applied to the facts here, where it was open to the State Legislature to have merely left the G. C. Act to step in on the repeal of the old enactment. But they chose a different line of action, viz., to save certain matters expressly. It would therefore follow that the intention of notification issued under Sec. 3 of the old Act lapsed on the repeal of the Act.

Held that the declaration of a notified area made under Sec. 4 of the new Act was not preceded by the requisite statutory declaration of intention.

Order : Held that the declaration was invalid—and anything done in pursuance of that notification is equally void and of no force and effect.

On this ground alone, the petitions succeed. Ordered that the rule

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12. THE HIGH COURT OF JUDICATURE AT MADRAS

(28th October 1966)

SHREE T. M. KANNAPPA MUDALIAR AND OTHERS—Petitioners

Versus

THE STATE OF MADRAS AND SECRETARY, NORTH ARCOT MARKET COMMITTEE, VELLORE—Respondents.

Introduction.—These are all the writ petitions filed by the dealers in the purchase and sale of paddy in North Arcot District, under Art. 226 of the Constitution of India, praying for the issue of certiorari to quash the validity of the notification issued by the Government declaring North Arcot District as a notified area for the purpose of the Madras Agricultural Produce Markets Act of 1959 in respect of paddy and to call the records of the State Government and the Market Committee.

Facts.—The petitioner in each case is a dealer in purchase and sale of paddy in North Arcot District. The Market Committee which was functioning under the deeming provisions notified that paddy merchants on and from April 1, 1964, should purchase their requirement of paddy only from the regulated markets and announced the licence fee payable by wholesale and retail dealers in paddy and the rate of cess that would be charged.

The dealers' feeling themselves that the requirement of a licence for carrying the trade and the payment of the cess which was held to be a tax in several decisions of this High Court is a restriction of the freedom of trade guaranteed under the Constitutional Law, have approached this Court for redress.

Points involved :

- (1) The Madras Agricultural Produce Markets Act, 1959, is invalid as no previous sanction of the President had been obtained as required by the proviso to Art. 304 of the Constitution.
- (2) The whole scheme of the Madras Act, 1959, is to impose restrictions on the freedom of trade and the provisions of the Act constitute serious encroachments on the petitioners' right to carry on business. It violates freedom of trade guaranteed under Art. 19(1)(g) and Art. 301 of the Constitution.
- (3) The Market Committee deemed to continue for the notified area for the purpose of the repealed Act in respect of paddy has not been duly constituted in accordance with the provisions of the Act. There should be a separate Market Committee for each notified agricultural produce.
- (4) Explanation (1) to Sec. 18(1) is unconstitutional since levy of tax by the Market Committee is an imposition on the traders.

Judgment (Hon. J. Veeraswamy) : *Contention* (1) : The question to be decided in this case is whether the 1959 Act is hit by Art. 304(b) and is invalid for failure to obtain the sanction of the President under the proviso to the Article.

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Held that the answer to this question will depend on whether the Act imposed restrictions on the freedom of trade with or within the State of Madras.

Contention (2) : The contention is that the restriction on the freedom of trade in Part XIII should be understood as having the same meaning and content for the purpose of both Art. 19(1)(g) and Art. 301 as they overlap and practically cover the same field of liberty.

There are a few cases in which the validity of marketing legislation *vis-a-vis* Art. 19(1)(g) and Art. 19(6) was canvassed and discussed, but with reference to Art. 301 and Art. 304. But an argument based on Art. 301 and Art. 304(b) was also considered but was disposed of on the view that the Act impugned before it was an existing law within the meaning of Art. 305, its validity was not affected by Art. 301. *While considering the question, however, a reference was also made to certain Australian decisions rendered on Sec. 92 of the Australian Constitution and the view was expressed that the section hit only Laws which prohibited and hampered inter-State trade and not those which merely regulated it.*

In *Jan Mohammad versus The State of Gujarat*, it was held that the Gujarat Agricultural Produce Markets Act, 1964, was held not to offend Art. 19(1)(g). There again no contention was based on Part XIII of the Constitution. In *Mohd. Hussain versus The State of Bombay*, the constitutional challenge to the validity of the Bombay Agricultural Produce Markets Act, 1939, was confined to Art. 19(1)(g) which was repealed by the Supreme Court applying *Arunachala Nadar versus The State of Madras*.

In *Thakur Prasad versus The State of Bihar*, it was observed that the Bihar Act of 1960 had been enacted after duly obtaining the sanction of the President for the Bill before its introduction in the State Legislature and *did not have to consider whether the legislation fell within the ambit of Part XIII*. Likewise, the question was not debated in *Bikarchand versus The State of Rajasthan* as it turned out that for the Act of 1961, the assent of the President was obtained under Art. 255 of the Constitution.

Sec. 301 says that trade and commerce throughout the territory of India shall be free. But this declaration will operate subject to the other provisions of Part XIII, namely, Arts. 302 to 305 and 307. The freedom under Art. 301 being a fetter on the legislative powers of both the Parliament and the State Legislature, the rest of the Articles in Part XIII lift the fetter to the extent specified to certain conditions and exceptions. *Either the Parliament or the State Legislature, considering the public interest, may impose restrictions on the freedom of trade with or within the State provided the restrictions are reasonable.*

In the light of the experience gained of the cognate provisions in some of the Federal Constitutions of the World as regards the commerce clause in the Constitution of the U.S., Sec. 92 of the Australian Constitution, Sec. 121 of the British North America Act, in the background of the problems relating to trade in the then British India, Part XIII of the present Constitution, keeping in view the economic unity of India as a

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whole and at the same time the inter-State needs, and in the interest of the inter-relation with the unity of India in the field of trade, has been fully framed. *In interpreting the scope of the freedom, related restrictions and exceptions have to be borne in mind as the freedom in organised society governed and regulated by law and order is not absolute freedom which will mean anarchy and confusion. But a relative concept which, by the very nature of things, implies mutual alignment and adjustment of conflicting unequal or even parallel interests in order to facilitate, promote and subserve the good of the individual as well as of the community.*

Part XIII of the Constitution was to safeguard the principles of the economic unity of the country.

The correctness as to the restrictions of the trade was considered by the larger bench of the Supreme Court in *Automobile Transport Ltd. versus The State of Rajasthan*, wherein the majority held that *regulatory measure or measures imposing compensatory taxes for the use of trading facilities do not come within the purview of the restrictions contemplated by Art. 301 and such measures need not comply with the requirements of the provisions of Art. 304(b) of the Constitution.*

His Lordship Subbarao, J., concurring with his Lordship S. K. Das, J., took substantially the same view and observed :

The word “freedom” is not capable of precise definition but it can be stated what would infringe or detract from the said freedom. Before a particular law can be said to infringe the said freedom, it must be ascertained whether the impugned provision operates as a restriction impeding the free movement of trade or only as a regulation facilitating the same. *Restrictions obstruct the freedom, whereas regulations promote it.* Police regulations, though they may superficially appear to restrict the freedom of movement, in fact provide the necessary conditions for the free movement. *It is for the Court to decide whether a provision purporting to regulate trade is in fact a restriction on freedom.*

It was thus well established that regulatory provisions which do not directly or immediately impede or burden the free movement of trade, but provide or intend to provide facilities for trade are not restrictions within the meaning of Part XIII and are compatible with the freedom of trade declared by Art. 301. In *Kutti Koya versus The State of Madras*, while discussing the validity of the Madras Commercial Crops Markets Act, 1933, the same view was taken and it was held that the restrictions were reasonable and in public interest.

Held that the purpose of the Madras Act is not to put a restraint upon trade in any manner but to regulate it in order to ensure such facilities. As such, it is in no way inconsistent with the freedom declared by Art. 301. The Madras Act, 1959, is regulatory in substance and character and does not violate Art. 301 of the Constitution. There is, therefore, no need to resort to Art. 304(b) to save the Act.

Contention (3) : The argument is that the Market Committee, deemed to continue for the purpose of the new Act, has not been duly constituted in accordance with the provisions of the Act.

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All the provisions of the Madras Commercial Crops Markets Act, 1933, have been re-enacted with a few changes of which the main is that the Act, unlike before, deals not with commercial crops as such but with agricultural produce which by notification can be extended to cover any agricultural produce for the purpose of the Madras Act of 1959.

This new Act has received the assent of the Governor on December 24, 1959, and was published in the Gazette on January 13, 1960, and came into force on October 22, 1962.

Once a notified area comes into existence in accordance with Secs. 3 and 4 the Government is required under Sec. 5 to establish a market committee for every notified area. It is the duty of the market committee to enforce the provisions of the Act as well as the Rules and Bye-laws made thereunder in such notified area.

Held that, in this connection, Sec. 38 has already been referred to under which the market committee established under the old Act shall be deemed to continue as a market committee established under the new Act.

As regards the validity of the constitution of the Market Committee, the earlier decision by Srinivasan J., in *Mahendra Kumar Ishwarlal and others versus The State of Madras* has been applied in toto here in this case. There it was decided, while dealing with the petitions of the jaggery dealers that the old market committee which shall continue by the saving provision of the Act may have to be reconstituted in the light of the requirements of the new Act, but *that is a matter of detail which does not affect the validity of the constitution of the market committee.*

The argument put forth under Sec. 5 regarding the establishment of a separate market committee for each notified agricultural produce has not been accepted. Held that if there are several notified agricultural produce for each of which the notified area is the same, which is permissible under Secs. 3 and 4, the same market committee for the same notified area can also function and have control in respect of every one of such notified agricultural produce.

Contention (4) : The last contention is that levy of tax is unconstitutional and explanation (1) of Sec. 18 should be struck down.

It was already noticed that sub-sec. (1) provides for authority to the Market Committee to levy cess by way of sales tax on the purchase and sale of any notified agricultural produce in the notified market. Explanation 1 says that for the purpose of sub-sec. (1) all notified agricultural produce taken out or proposed to be taken out of a notified market area shall, *unless the contrary is proved*, be presumed to be bought or sold within such area. The contention is that as a result of the explanation that all transactions are not sales, are deemed to be sales and an impost is levied on them and the power of the legislature being only to impose a tax on actual purchases and sales and not deemed sales which are not sales of goods in the strict sense of the law, the Explanation should be struck down.

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Held that the explanation is only a rule of evidence. Its effect is not to impose a fee in the nature of sales tax on deemed purchase or sale of a notified agricultural produce. The presumption is intended to make sub-sec. (1) as effective as possible and to avoid possibility of evasion. The presumption is rebuttable and the personnel concerned can always show that a notified agricultural produce taken out or to be taken out in a notified market area is not the subject matter of any purchase and sale within the notified area.

Order : Petitions fail and they are dismissed, but with no costs.



*List of publications issued by the Agricultural Marketing
Adviser to the Government of India*

Marketing Series No.	Symbol No.	Name of publication	Year of publica- tion	Price
(1)	(2)	(3)	(4)	(5)
				Rs. P.
1*	AMA-1	Report on the Marketing of Wheat in India.	1937	1.25
2*	AMA-2	Report on the Cold Storage and Transport of Perishable Produce in Delhi.	1937	0.75
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4*	AMA-4	Abridged edition of the Report on the Marketing of Wheat in India.	1938	0.50
5*	AMA-5	Abridged edition of the Report on the Marketing of Wheat in India (Hindi).	1938	0.50
6*	AMA-6	Abridged edition of the Report on the Marketing of Wheat in India (Urdu).	1938	0.50
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8*	AMA-8	Report on the Marketing of Linseed in India.	1938	1.25
9*	AMA-9	Report on the Marketing of Eggs in India and Burma.	1938	1.25
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(1)	(2)	(3)	(4)	(5)
				Rs. P.
11*	AMA-12	Abridged edition of the Report on the Marketing of Linseed in India.	1939	0.75
12*	AMA-17	Agricultural Produce (Grading and Marking) Act, 1937, with Rules made prior to 31st August, 1940.	1940	0.75
13*	AMA-13	Abridged edition of the Report on the Marketing of Linseed in India (Bengali).	1939	0.75
14*	AMA-14	Abridged edition of the Report on the Marketing of Linseed in India (Hindi).	1939	0.50
15*	AMA-15	Abridged edition of the Report on the Marketing of Linseed in India (Marathi).	1940	0.50
16*	AMA-16	Abridged edition of the Report on the Marketing of Linseed in India (Urdu).	1939	0.50
17*	AMA-7. 38	Annual Report of the Agricultural Marketing Adviser and Summarised Reports of Senior Marketing Officers in Provinces and certain States for the year ending 31st December, 1938.	1939	0.75
18*	AMA-19	Abridged edition of the Report on the Marketing of Eggs in India and Burma.	1940	0.50
19*	AMA-7. 39	Annual Report of the Agricultural Marketing Adviser and Summarised Reports of Senior Marketing Officers in Provinces and certain States for the year ending 31st December, 1939.	1940	1.62
20*	AMA-11	Report on the Marketing of Grapes in India and Burma.	1940	1.25
21*	AMA-18	Report on Marketing of Coffee in India and Burma.	1940	1.25
22*	AMA-21	Report on the Marketing of Potatoes in India and Burma.	1941	1.25

(1)	(2)	(3)	(4)	(5)
				Rs. P.
23*	AMA-22	Report on the Marketing of Milk in India and Burma.	1941	1.25
24*	AMA-25	Preliminary Guide to Indian Fish, Fisheries, Methods of Fishing and Curing.	1941	1.00
25*	AMA-27	Abridged edition of the Report on the Marketing of Eggs in India and Burma (Urdu).	1941	1.00
26*	AMA-26	Abridged edition of the Report on the Marketing of Eggs in India and Burma (Hindi).	1941	0.50
27*	AMA-20	Report of the Marketing of Rice in India and Burma.	1941	1.25
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29*	AMA-7.40	Annual Report of the Agricultural Marketing Adviser and Summarised Reports of Senior Marketing Officers in Provinces and certain States for the year ending 31st December 1940.	1941	1.25
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31*	AMA-29	Abridged edition of the Report on the Marketing of Grape in India and Burma.	1941	0.50
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34*	AMA-38	Abridged edition of the Report on the Marketing of Tobacco in India and Burma.	1942	1.25
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(1)	(2)	(3)	(4)	(5)
				Rs. P.
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49*	AMA-47	Report on the Marketing of Bananas in India.	1945	1.25
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(1)	(2)	(3)	(4)	(5)
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56*	AMA-57	Agricultural Produce (Grading and Marking) Act, 1937, with Rules made prior to 31st December, 1946 (Third Edition).	1947	1.50
57*	AMA-50	Report on the Marketing of Ghee and other Milk Products in India.	1947	3.00
58*	AMA-55	Supplement to the Report on the Marketing of Wheat in India.	1946	1.25
59.	AMA-56	Report on the Marketing of Cardamom in India.	1947	1.12
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61.	AMA-59	Bulletin on the Marketing of Sann Hemp in India.	1948	1.50
62.	AMA-54	Bulletin on the Marketing of some Important Stone, Pome and small Fruits and Pine-apples in India.	1950	1.25
63.	AMA-58	Report on the Marketing of Arecanuts in India.	1949	1.25
64.	AMA-60	Report on the Marketing of Milk in the Indian Union.	1950	3.50
65	AMA-46. II	Report on the Marketing of Fish, in the Indian Union (Second Edition).	1951	5.62
66	AMA-25. II	Preliminary Guide to Indian Fish, Fisheries, Methods of Fishing and Curing.	1951	4.25

(1)	(2)	(3)	(4)	(5)
				Rs. P.
67.	AMA-62	Abridged edition of the Report on the Marketing of Milk in India (Hindi).	1951	1.12
68.	AMA-61.48	Annual Report of the Directorate of Marketing and Inspection for the year ending 31st December, 1948.	1950	1.25
69.	AMA-64	Atlas on Livestock and Livestock Products.	(Out of stock)	
70.	AMA-66	Instructions for Grading Tobacco.	1951	1.12
71.	AMA-69	Report on the Marketing of Hides in India.	1952	4.50
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73.	AMA-73	Report on the Marketing of Groundnuts in India.	1953	7.50
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	AMA-88	Studies in Ghee Series II	1955	0.19
81.	AMA-80	Methods of Sampling and Testing Butter Fat (Ghee) and Butter under Agmark.	1954	2.37

(1)	(2)	(3)	(4)	(5)
				Rs. P.
82.	AMA-82	Bulletin on the Marketing of Palmyra Fibres in India.	1955	1.62
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88.	AMA-90	Report on the Marketing of Tapioca in India.	1956	1.62
89.	AMA-91	Report on the Marketing of Linseed in India.	1956	10.50
90.	AMA-94. I	Report on the Regulated Markets in India, Vol. I—Legislation.	1956	2.25
92.	AMA-84	Report on the Marketing of Cattle in India.	1956	3.37
93.	AMA-97	Report of an Ad hoc Survey of Cold Storages for Fruits and Vegetables in Consuming Centres in India (1955).	1956	0.88
94.	AMA-95	Administration Report of the Directorate of Marketing and Inspection for the period 1949 to 1954.	1956	2.00
95.	AMA-95	Ghee Series I (Hindi).	1956	0.31
96.	AMA-96	Ghee Series II (Hindi)	1956	0.25
97.	AMA-100	Report on the Fruit and Vegetable Murabba Industry in India, 1956.	1957	1.50

(1)	(2)	(3)	(4)	(5)
				Rs. P.
98.	AMA-95.55	Annual Administration Report of the Directorate of Marketing and Inspection for the year 1955.	1957	1.75
99.	AMA-103	Brochure on the Marketing of Henna in India (Hindi).	1957	0.56
101.	AMA-33II	Marketing of Lac in India	1961	15.00
102.	AMA-101	Marketing of Pulses in India	1959	6.50
103.	AMA-105	Ata Grading Instructions	1957	0.75
104.	AMA-106	Instructions for the Grading and Marking of Sugarcane Gur (Jaggery) under the Agricultural Produce (Grading and Marking) Act, 1937, and the Sugarcane Gur (Jaggery) (Grading and Marking) Rules, 1943.	1958	2.37
105.	AMA-107	Instructions on Grading and Marking of Creamery Butter.	1958	2.50
106.	AMA-112	Handbook on Grading of Sann Hemp in India.	1958	2.00
107.	AMA-108	Handbook on Grading of Bristles in India.	1958	2.00
108.	AMA-109	Brochure on the Marketing of Lemongrass Oil in India.	1958	3.50
109.	AMA-102	Agricultural Produce Grading and Marking Act, 1937, with Rules made prior to 31st December, 1959 (4th Edition).	1961 (For official use only)	
110.	AMA-93	Atlas on Marketing Aspects of Food Crops.	1959	10.00
111.	AMA-110	Report on the Chutney Industry in India, 1957.	1958	3.87
112.	AMA-98	Atlas on the Marketing Aspects of Commercial Crops.	1959	10.00
113.		A Note for the Guidance of Parties wishing to Grade Ghee under Agmark (Hindi).	1958	(Unpriced)

(1)	(2)	(3)	(4)	(5)
				Rs. P.
114.	AMA-95.96	Administration Report of the Directorate of Marketing and Inspection for the year 1956.	1959	4.40
115.	AMA-113	Report on the Marketing of Bones and Bonemeal in India.	1958	4.56
116.	AMA-114	The Fruit Products Order, 1955 (As amended upto 18-2-58).	1958	1.44
117.	AMA-111	Brochure on the Standard Methods of Wool Analysis.	1958	1.12
118.	AMA-115	Instructions for Grading Lemon-grass and Sandalwood Oils.	1959	2.87
119.	AMA-117	Brochure on the Marketing of Myrobalans in India.	1960	2.85
120.	AMA-1.20	Monograph on Types and Grades of Unmanufactured Tobacco exported from India in 1957.	1960	3.05
121.		Information Sheet No. 1	1960	(Unpriced)
122.	AMA-118	Standard Methods of Wool Analysis (Hindi).	1962	2.80
123.	AMA-121	Marketing of Tobacco in India.	1960	11.00
124.	AMA-122	Report on the Marketing of Animal Fats and Certain Important By-Products in India.	1961	7.75
125.	AMA-125	Report on the Marketing of Arecanuts (Tamul) and Betelnuts (Supari) in India (Revised Edition).	1962	9.50
126.	AMA-123	Marketing of Fish in India	1961	7.00
127.	AMA-126	Brochure on the Marketing of Green Peas in India.	1961	3.70
128.	AMA-127	Brochure on the Marketing of Sandalwood and its Oils.	1961	4.40
129.	AMA-124	Brochure on the Marketing of Goat Hair in India.	1961	1.20
130.	AMA-95.60	Administration Report of the Directorate of Marketing and Inspection for the three years ending 1959-60.	1962	5.00

(1)	(2)	(3)	(4)	(5)
				Rs. P.
131.		Directory of Cold Storages in India.	1961	1.95
132.		Wool Grading Instructions . .	1962	(Unpriced)
133.	AMA-129	Bulletin on the Marketing of Aloe and Sisal Fibres in India	1962	2.95
134.	AMA-95.62	Administration Report of the Directorate of Marketing and Inspection for the year 1960-61.	1962	(Unpriced)
135.	AMA-134	Report on Containers used for Fruits and Vegetables in India.	1963	6.75
	AMA-131	Bulletin on the Marketing of Sann Hemp in India.	1962	0.75
136.	AMA-115	Grading Instructions on Lemongrass and Sandalwood Oils (Hindi).	1962	4.15
137.	AMA-130	Marketing of Bristles in India .	1962	3.65
138.		Instructions for Grading and Marking of Sann Hemp under Agmark.	1963	
139.		Grading of Sann Hemp in India (Hindi).	1963	
		Instructions for the Grading of Honey under Agmark.	1961	
140.		Instructions for the Grading of Vegetable Oils under Agmark.	1963	
142.	AMA-133	Marketing of Wool in India (Revised Edition).	1965	16.50
143.	AMA-132	Marketing of Wheat in India .	1964	15.50
	AMA-139	Co-operative Marketing of Cotton (A Few Case Studies).	1965	5.25
144.	AMA-138	Report on the Marketing of Cardamom in India	1965	7.75
145.		Instructions for the Grading and Marking of Vegetable Oils under Agmark for Export.	1964	

(1)	(2)	(3)	(4)	(5)
				Rs. P.
		Price Spread of Rice Studies in Costs and Margins, 1959-60.	1961	(For official use only)
	AMA-119	Handbook on Grading of Bristles in India (Hindi)	1960	4.00
		A Note for the Guidance of Parties wishing to Grade Ghee under Agmark.	1961	(Unpriced)
		A Note for the Guidance of Parties wishing to Grade Creamery Butter under Agmark.	1961	(Unpriced)
		A Note for the Guidance of Parties wishing to Grade Vegetable Oils under Agmark.	1963	(Unpriced)
	AMA-137	Directory of Wholesale Agricultural Produce Assembling Markets in India.	1965	12.50
146.	AMA-136	The Fruit Products Order, 1955 (as amended upto 19-1-1963).	1965	1.20
147.		Administration Report of the Directorate of Marketing and Inspection for the two years ending 1962-63.	1965	(Unpriced)
	AMA-135	Report on the Marketing of Coconuts and Coconut Products in India (Second Edition).	1965	16.00
	AMA-141	Report on the Price Spread of Groundnuts and Groundnut Oil in India.	1965	7.50
	AMA-143	Monograph on Types and Grades of Unmanufactured Tobacco exported from India in 1960 and 1961.	1965	5.50
148.	AMA-140	Marketing of Turmeric in India.	1965	11.00
149.	AMA-144	Report on the Marketing of Fruits and Vegetables in the Cities of Calcutta, Delhi, Madras, Ahmedabad, Poona and Nagpur.	1966	7.50
150.	AMA-145	Cold Storage Order, 1964.	1965	0.50

(1)	(2)	(3)	(4)	(5)
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151.	AMA-148	Marketing of Ginger in India .	1966	4.50
152.	AMA-157	Marketing of Guava, Papaya and Litchi in India.	1966	4.30
153.	AMA-156	Marketing of Mangoes in India .	1966	8.00
154.	AMA-150	Marketing of Garden Peas and French Beans in India.	1966	3.70
155.	AMA-152	Marketing of Citrus Fruits in India.	1966	6.75
156.	AMA-146	Marketing of Tomatoes in India.	1966	3.30
157.	AMA-153	Marketing of Onion in India .	1966	4.40
158.	AMA-142	Report on the Marketing of Wal-nuts in India.	1967	37.50
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