

## **Andhra Pradesh (Agricultural Produce And Live Stock) Market Rules, 1969**

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**Andhra Pradesh (Agricultural Produce And Live Stock)  
Market Rules, 1969**

In exercise of the powers conferred by Section 33 of the Andhra Pradesh (Agricultural Produce and Livestock), Markets Act, 1966 (Act 16 of 1966), and in supersession of all the rules on the subject made under the Acts repealed by Section 36 of the said Act, the Governor of Andhra Pradesh hereby makes the following rules, the same having been previously published at pages 460 578 of the Rules Supplement to Part II (19) of the Andhra Pradesh Gazette, dated the 23rd November, 1967 as required by sub section (4) of Section 33 of the said Act.

CHAPTER 1

Preliminary

**1. Short title, extent and commencement :-**

- (1) These Rules may be called the Andhra Pradesh (Agricultural Produce and Livestock) Markets Rules, 1969.
- (2) They shall extend to the whole of the State of Andhra Pradesh.
- (3) They shall come into force at once.

**2. Definitions :-**

: In these rules, unless the con otherwise requires

- (i) Act means the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966 ;
- (ii) Amanat Patti means a storage slip or voucher wherein a commission agent records the entries of a notified agricultural produce or products of livestock stored or kept with him by a seller and amount of money, if any, advanced by him to the seller on the pledge of such notified commodity ;
- (iii) Assistant Director of Marketing means the Assistant Director of Marketing in whose jurisdiction the notified area of the market committee is situated ;
- (iv) Broker means an agent whose ordinary course of business is to negotiate and make contracts on payments of brokerage for purchase or sale of notified agricultural produce or livestock or products of livestock on behalf of his principal but does not include

a servant of such principal whether engaged in negotiating or making such contracts ;

(v) Bye law means a bye law made by a market committee or by the Director ;

(vi) Chungdi means the residue of a lot of a notified commodity which is left over after weighing such lot in units of weighment; and which forms a fraction of a unit of weighment ;

(vii) Collector means the Collector of the District in which notified area of the market committee is situated ;

(viii) Commission agent means a person who, on behalf of another person and in consideration of a commission makes or offers to make a purchase or sale of any agricultural produce, livestock or products of livestock or does or offers to do anything necessary for completing or carrying out such purchase or sale and includes "adatya".

(ix) Director means the Director of Marketing ;

(x) Emoluments means pay, leave salary, subsistence grant or allowances classed as pay in the rules or regulations, applicable to the officers and employees of the market committee ;

(xi) Family means

(a) in the case of a male subscriber to the provident fund, the wife and children of the subscriber and the widow and children of deceased son of the subscriber

Provided that if a subscriber proves that his wife has been judicially separated from him or has ceased, under the customary law of the community to which she belongs, to be entitled to maintenance, she shall henceforth be deemed to be no longer a member of the subscriber family in matters to which these rules relate, unless the subscriber subsequently indicates by express notice in writing to the Secretary that she shall continue to be so regarded : and

(b) in the case of a female subscriber to the provident fund, the husband and children of the subscriber and the widow and children of a deceased son of the subscriber

Provided that if a subscriber by notice in writing to the Secretary expresses her desire to exclude her husband from her family, the husband shall henceforth be deemed to be no longer a member of the subscriber family in matters to which these rules relate, unless the subscriber subsequently cancels formally in writing her notice excluding him :

Explanation : For the purpose of this clause

(1) Children means legitimate children ;

(2) an adopted child shall be considered to be a child when the



Secretary is satisfied that under the personal law of the subscriber, adoption is legally recognised ;

(xii) Form means a form appended to these rules ;

(xiii) Hamal means a person licensed by a market committee to render service on wages in handling of a notified commodity in the market and includes woman labourer ;

(xiv) Leave means any kind of leave recognised by the rules and regulations applicable to the officers and employees of Market Committee.

(xv) Market Engineer means an Engineer not below the rank of an Assistant Engineer of the Marketing Department, Public Works Department, Roads and Buildings Department or Public Health Department having jurisdiction over the notified area of the market committee.

(xvi) Notified Commodity means a notified agricultural produce or a notified product of livestock or both ;

(xvii) Office of the Market Committee means the place where the head quarters of the market committee is located ;

(xviii) Polling Officer means an officer of the Marketing Department appointed under Rule 13 by the Election Officer, to conduct elections of the persons licensed under sub section (1) of Section 7;

(xix) Processing means powdering, crushing, decorticating, dehusking, parboiling, polishing, ginning, pressing, curing, or any other treatment to which an agricultural produce or products of livestock is subjected to before final consumption ;

(xx) Secretary means the Secretary of the market committee ;

(xxi) Section means a section of the Act ;

(xxii) Takpatti means a voucher wherein any commission agent records the entries of the notified agricultural produce, livestock and products of livestock sold through him and the sale proceeds paid to the seller ;

(xxiii) Trader means a person ordinarily engaged in the business of buying and selling of notified agricultural produce, livestock or products of livestock as a principal or as a duly authorised agent of one or more principals and includes a person ordinarily engaged in the business of processing of notified agricultural produce, or products of livestock ;

(xxiv) Warehouseman means a person who arranges for the storage of any notified commodity ;

(xxv) Weighman means a person who weighs or counts a consignment of the notified agricultural produce, livestock, or

products of livestock ;  
(xxvi) Year means the financial year.

## CHAPTER 2

Publication etc. of Notifications relating to Notified Areas

### **3. Manner of publication of Notifications :-**

(1) Every notification under Section 3 declaring a notified area or excluding therefrom or including therein any area shall be published in the Andhra Pradesh Gazette.

(2) Copies of such notification may be

(a) published in the Village Supplement of the District Gazette, if any, in the district concerned ;

(b) displayed, by affixture in a conspicuous position, in the office of the Municipality, Zilla Parishad, Panchayat Samithi, and Gram Panchayat, and the Village Chavadi of the village within whose jurisdiction the area specified in such notification or any part thereof is situated.

(3) No notification under Section 3 published in the Andhra Pradesh Gazette, shall be deemed to be invalid by reason only of the fact that copies thereof have not been published or displayed as provided in sub rule (2).

### **4. Copy of Act, Rules and Bye laws to be kept :-**

: The market committee shall keep a copy of the Act, and of the rules and notifications made or issued thereunder and of its bye laws open to inspection at its office, free of charge.

## CHAPTER 3

Composition of and election to market committee

### **5. Composition of Market Committee :-**

:

(1) Every Market Committee shall consist of fourteen members and shall be constituted by the Government by notification in the following manner:-

(i) eight members to be appointed by the Government in consultation with the Director of Marketing from among the following categories of growers of agricultural produce, owners of livestock and products of livestock in the notified area namely:-

(a) growers of agricultural produce who are small farmers;

(b) growers of gricultural produce other than small farmers;

(c) Owners of livestock and products of livestock;

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

Provided further that there shall be atleast two members representing the category of small farmers;

(ii) One member to be appointed by the Government from among the Presidents or persons in charge, if any, for the time being performing the functions of primary Agricultural Co-operative Societies or the Co-operative Marketing Societies having areas of operation within the notified area;

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

(iv) Chairperson of the Municipality or the Sarpanch of the Grampanchayat, as the case may be, in whose jurisdiction the office of the Market Committee is located; Provided that in the case of a Municipal Corporation constituted under any law relating to time being in force in the State, one person as may be nominated by the Corporation shall represent the Corporation in the Agricultural Market Committee concerned where a notified area comprises the Corporation also.

(v) two members to be appointed by the Government in consultation with the Director of Marketing from among the licenced traders in the notified area of whom one shall be a small trader;

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

(2) Within 30 days from the date of receipt of requisition from the Director or the officer authorised by him in this behalf, the Deputy Registrar of operative Societies having jurisdiction over the notified area of the market committee shall furnish a list of the names of the Presidents and the persons if any, for the time being performing the functions of the Presidents of the operative Marketing Societies having their areas of operation within the notified area.

(3)

(a) The Assistant Director of Marketing concerned shall furnish the

name of Chairman of the Municipality or Sarpanch of the Gram Panchayat, as the case may be, within whose jurisdiction the office of the market committee is located, within 30 days of the requisition of the Director of Marketing.

(b) The Municipal Corporation of Hyderabad shall communicate the name of its representative as may be nominated by the corporation within 45 days from the date of requisition sent to the Commissioner, Municipal Corporation by the Director of Marketing.

**6. Section 6 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**7. Section 7 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**8. Section 8 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**9. Section 9 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**10. Section 10 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**11. Section 11 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**12. Section 12 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**13. Section 13 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**14. Section 14 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**15. Section 15 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**16. Section 16 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**17. Section 17 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**18. Section 18 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**19. Section 19 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**20. Section 20 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**21. Section 21 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**22. Section 22 :-**

(Omitted by G.O.Ms.No. 253, F A, (MKG II) dated 4-6-1981)

**23. Handing over charge to new Chairman or Vice Chairman by the out going Chairman or Vice Chairman :-**

(1) On the appointment of a new Chairman or Vice Chairman the outgoing Chairman or Vice Chairman in whose place the new Chairman or Vice Chairman has been {appointed shall forthwith handover charge of his office to such new Chairman or Vice Chairman, as the case may be.

(2) If the outgoing Chairman or Vice Chairman fails or refuses to handover charge of his office as required under sub rule (1), the Director or any officer empowered by the Director in this behalf may by order, in writing direct the Chairman or Vice Chairman, as the case may be, to handover the charge of his office and all

records and property of the market committee forthwith, if any, in his possession as such Chairman or Vice Chairman, to the new Chairman or Vice Chairman.

#### **24. Resignation of office by Chairman or Vice Chairman :-**

: The Chairman or Vice Chairman may resign his office as such Chairman or Vice Chairman by giving notice in writing to the market committee. Except in a case where the person resigning delivers the notice of resignation personally to the Secretary, the Secretary shall on receipt of notice of resignation obtain confirmation from the person concerned as to its genuineness. A resignation delivered personally or confirmed as aforesaid shall take effect on and from the date on which the notice is placed before the market committee.

#### **25. Resignation or removal of member of a Market Committee :-**

(1) Any member other than the Chairman or Vice Chairman may resign his office by giving notice to the Chairman and such resignation shall take effect on the date on which it is received by the Chairman. Such resignation of the member accepted by the Chairman shall be brought to the notice of the Director of Marketing immediately and the Market Committee in its next meeting.

(2) Any member of a Market Committee may be removed by the Government

(a) if he acts in a manner which in the opinion of the Government is prejudicial to the working of the Market Committee, or

(b) if he is convicted by a Court of Law for any one or more offences under the Act or any other Act or the rules or bye laws made thereunder unless a period of three years has elapsed from the date of expiry of such conviction, or

(c) if he becomes of unsound mind and stands so declared by a competent court, or

(d) if he is employed as a paid legal practitioner on behalf of the market committee or, as legal practitioner against the market committee or as an officer or servant under the Act. Explanation : For the purpose of this sub rule a member of a market committee shall be considered by the Government to have acted in a manner, prejudicial to the working of the market committee, if on the receipt of a report from the Chairman through the Director

supported by such evidence, if any, as may be produced, the Government are satisfied that

(i) he openly or secretly organised some or all traders against their assemblage at the competitive auctions of the notified agricultural produce, livestock or products of livestock with a view to depress the market prices thereby forcing the sellers to part with their commodities at lower prices ; or

(ii) he himself persuaded or organised others to persuade the sellers to sell their notified agricultural produce, livestock or products of livestock in his premises or premises belonging to others without the channel of the market with a view to earning, without the notice or knowledge of the market committee, for himself and others in whose premises the sales are to take place unauthorised allowances from such sales or,

(iii) he himself or in collusion with others wilfully disobeys or refuses to carry out, the provisions of the Act and of the rules or the bye laws made thereunder which regulate the payment of licence fees, market fees or any other fees or refuses to pay any arrears of amount due to the market committee or sale proceeds of the notified commodities due to a seller or commission agent with a view to deprive the market committee of its financial resources or with a view to force the sellers or commission agents to bargain with the sellers to the latter advantage.

(iv) he himself or in connivance with others organizes strikes or helps the organisation of strikes by weighmen, hamals, motor lorry drivers, cartmen, or other functionaries of the market for gaining higher emoluments or any other concessions from the market committee, buyers, sellers, or commission agents.

(3)

(i) The Government shall, before taking action under sub rule (2), issue a notice calling upon the member of the market committee concerned to show cause within such time as may be specified therein, not being less than seven days from the service thereof why he should not be removed as a member of the market committee and consider his reply thereto, if any, received from the member before the expiry of the time specified in the notice.

(ii) The Government shall also send a copy of the notice referred to in clause (i) to the market committee concerned for information.

#### CHAPTER 4

Powers and Functions of the Market Committee, etc. and the conduct of business at its Meetings etc.

## **26. Control of Market :-**

(1)

(a) The Market Committee shall have absolute control over the market and subject to these rules and to the orders of the Government and to such control as is by these rules or by any other law invested in the Director, District Collector or the Government, shall manage its affairs having due regard always to the convenience and best interests of the trade in the notified agricultural produce, livestock or products of livestock.

(b) For exercising the above control effectively, the market committee shall entrust the management of each market to the Assistant Secretary, if any, appointed or to the Supervisor, if no such Assistant Secretary is appointed. The Assistant Secretary or the Supervisor as the case may be, shall manage the market under the direct supervision of the Secretary.

(2) The market shall be open for trading at such hours as the market committee may, from time to time, fix.

(3) Carts, vehicles and animals intended to transport notified commodities shall be kept or allowed to remain at such stands or places and for such time, as may be earmarked by the market committee.

(4) The notified agricultural produce, livestock or products of livestock intended for sale shall be exhibited at such places and in such manner and at such times as may be permitted by the market committee.

(5) The ingress and egress in the market area shall be permitted to such persons and at such times as the market committee may deem proper.

Provided that no person licensed under the Act shall be prevented from entering the market during any time, when it is open to the public.

## **27. Powers and duties of market committee :-**

: The market committee shall

(i) implement the provisions of the Act and of the rules and bye laws thereunder in the market area;

(ii) implement the directions given by the Government from time to time, in the establishment and development of markets;

(iii) maintain and manage the market yards;

(iv) provide necessary facilities for the marketing of notified



agricultural produce, livestock or products of livestock in the market area;

(v) supervise the conduct of the market functionaries;

(vi) regulate the opening, closing and suspending of transactions in a market yard;

(vii) enforce the conditions of a licence;

(viii) regulate the making, execution and enforcement or cancellation of agreements of sales, the weightment, delivery, payment and all other matters relating to the marketing of notified agricultural produce livestock or products of livestock.

(ix) provide for the settlement of all disputes between the seller and the buyer and others arising out of any kind of transaction connected with the marketing of a notified agricultural produce, livestock or products of livestock and all matters ancillary thereto;

(x) collect, maintain and disseminate information in respect of

(a) sale prices and movement of notified agricultural produce, livestock or products of livestock; and

(b) production, processing and storage of notified commodities;

(xi) take all possible steps to prevent adulteration and to promote grading and standardization of notified commodities;

(xii) levy, recover and receive fees, subscription and other sums of money to which the market committee is entitled;

(xiii) employ necessary number of officers and servants for the efficient implementation of the provisions of the Act and of the rules or bye laws made thereunder;

(xiv) conduct the auction of notified agricultural produce, livestock or products of livestock strictly in accordance with the procedure laid down therefor under these rules or the bye laws of the market committee;

(xv) ensure correct weightment of notified commodities;

(xvi) regulate the entry of persons and the vehicular traffic into the market yard;

(xvii) prosecute persons for violating the provisions of the Act or of the rules and the bye laws made thereunder.

(xviii) acquire, hold and dispose of any movable or immovable property for the purpose of efficiently carrying out its duties.

(xix) institute or defend any suit, action, proceeding, application or arbitration and compromise any such suit, action proceeding, application or arbitration.

(xx) provide facilities, such as provision of adequate space for direct sales by a producer and assist a producer by preparing invoices and bills on his behalf when he sells his produce to a trader

without employing a commission agent.

## **28. Powers and duties of Chairman and Vice Chairman :-**

(1) The Chairman of the Market Committee shall be the Chief Controlling and supervising authority of the market committee. All officers and servants of the market committee shall, subject to the provisions of the Act and of the rules and bye laws and to the directions, if any given by the market committee, be subject to his control.

(2) The Chairman shall--

(a) preside over the meetings of the market committee and of every sub committee thereof and conduct business at such meetings;

(b) control the financial and executive administration of the market committee;

(c) exercise general supervision and control over the officers and servants employed in connection with the affairs of the market committee (whether such officers or servants are Government servants or not);

(d) in case of emergency, direct the execution or stoppage of any work or the doing of any act which requires the sanction of the market committee.

(3) The Vice Chairman shall

(a) in the absence of the Chairman, preside over the meetings of the market committee;

(b) exercise such powers and perform such duties of the Chairman as the Chairman may, from time to time, delegate to him; and

(c) exercise the powers and perform the duties of the Chairman during the absence of the Chairman on account of a vacancy in the office of the Chairman or otherwise.

(4) In the absence of both the Chairman and Vice Chairman, the member elected by the meeting shall preside over such meeting of the market committee.

## **29. Quorum for a meeting of market committee :-**

: The quorum for a meeting of the market committee consisting of 18 members and 15 members shall be 10 and 8 respectively;

Provided that the quorum for the adjourned meeting shall be 5 for 18 member market committee and 4 for 15 member market committee and at such a meeting only such specific items of

agenda as have been circulated to members for discussion in the meeting called earlier shall be disposed off.

### **30. Minutes book etc :-**

(1) A minute book shall be kept by the market committee for permanent record and record of the proceedings of every meeting shall be entered therein by the Secretary under the supervision of the Chairman or the member presiding over the meeting and shall be signed both by the Chairman or the member presiding and the Secretary. It shall be open for inspection during the office hours of the market committee by members thereof and also by the Director, and any other officer authorised by him in this behalf. It shall not be treated as a public document and copies of the record of proceedings of any meeting entered therein shall be supplied by the Chairman to a person when so required by an Order of a Court or an application made to Chairman in this behalf, after collecting the necessary fees fixed therefor in its bye laws.

(2) Copies of the agenda and of resolutions of the meeting shall be sent to all members of the market committee, the Director and the Assistant Director concerned. On a requisition made in this behalf, a copy of the resolutions passed at a meeting shall also be sent to the officers of the other departments who have attended such meeting.

### **31. Duties and powers of Secretary :-**

(1) The Secretary shall be the Executive Officer of the Committee. All employees of the Committee shall be under his control, and all orders issued to them shall pass through him. He shall be competent to pass orders with regard to their posting in the principal market yard and sub market yards, (except in the case of Assistant Secretaries) according to the requirements of the Committee and to grant casual leave to such employees.

(2) The Secretary shall work under the control of the Chairman.

(3) The Secretary shall attend all meetings of the committee or sub committee or a joint committee or an ad hoc committee, except a meeting wherein anything, pertaining to him or any of his relatives is to be considered. Explanation : "Relative ", for the purpose of this sub rule, shall mean;

(a) father, mother, son, daughter, brother and sister of the Secretary; and

(b) brother and sister of the father of the Secretary; and

(c) father, mother, son, daughter, brother and sister of the wife or husband of the Secretary.

(4) The Secretary shall advise the Committee and its Chairman in the light of the provisions of the Act, Rules and Bye laws framed under the Act and the directions of the Government or of the Director of Marketing issued from time to time and the previous decisions of the committee. His opinion shall be recorded in the proceedings of the Committee. The Secretary shall be responsible to send a copy of the proceedings of all the meetings of the committee to the Director immediately, but in no case, later, than three days from the date of the meeting.

(5) It shall be the duty of the Secretary to carry into effect the provisions of the Act, Rules and Bye laws made under the Act and the instructions of the Government or of the Director and the decisions of the committee and Chairman, consistent with the provisions of the Act, the Rules and the Bye laws to effect maximum improvement in the market.

(6) The Secretary shall see that communications addressed to the committee by the Government and the Director are dealt with promptly, and efficiently.

(7) Subject to the provisions of the sub rule (5), the Secretary shall be responsible for carrying on the day to day working of the office of the committee, maintenance of accounts, punctual rendering of returns, monthly review of the progress made in the enforcement of the Act and the safe custody of the cash, the common seal, the minute book and other records and assets of the committee.

(8) The Secretary shall make an annual assessment of the work of the employees engaged in connection with the management of the affairs of the committee and shall submit to the Chairman of the Committee who shall take this assessment into consideration while making final assessment of the work of such employees.

### **32. Constitution of sub committees :-**

(1) A market committee may constitute all or any of the following sub committees for assisting it in the discharge of its functions, namely.

- (i) Executive sub committee;
- (ii) Appointments Sub committee;
- (iii) Finance and Works Sub committee;
- (iv) Disputes Sub committee;

(2) Each of the sub committees aforesaid shall, besides the Chairman of the market committee, consist of two other members appointed by the market committee in the following manner, namely.

(a) in the case of each of the sub committee, other than the disputes sub committee both the members shall be such as may be appointed by the market committee from among the members thereof;

(b) in the case of disputes sub committee, one member shall be a member of the market committee representing the growers of agricultural produce and owners of livestock and the products of livestock and the second member shall be a member of the market committee representing the persons licensed under Section 7.

(3)

(a) Every sub committee constituted under sub rule (1) shall have as its Chairman, the Chairman of the market committee, who shall preside over the meetings of such sub committee.

(b)

(i) In the absence of the Chairman, the vice Chairman of the market committee, shall act as the Chairman of every sub committee, except the disputes sub committee, and preside over its meetings.

(ii) In the case of the disputes sub committee, in the absence of its Chairman at any meeting, one of the members selected by lot shall preside over such meeting.

(4) The Secretary shall also function as the Secretary of all the sub committees.

### **33. Nature of dispute to be decided by the Disputes Sub Committee and the procedure to be followed therefor :-**

(1) The Disputes Sub Committee shall arrange for the settlement of disputes in regard to the quality or weight as the case may be, of the agricultural produce, livestock or products of livestock or the price or rate to be paid therefore the allowances for wrappings, dirt or impurities or the deductions for any cause or the payment of sale proceeds due to a seller or commission agent from a buyer or a commission agent or the time lag fixed in connection with such payment, arising between

(i) a buyer and a seller

(ii) a buyer and a commission agent;

(iii) a commission agent and a seller; or

(iv) the agents of any of them.

(2) The disputes sub committee shall appoint a panel of not less than five but not more than fifteen persons, known for their integrity, to act as arbitrators in the settlement of disputes referred to the disputes sub committee, from among the agriculturists residing in the market area and the traders doing business in such area but not being the members of the market committee.

(3) {Where any dispute of the nature referred to in sub rule (1) arises, it shall be reported to the Secretary by submitting an application in writing signed by either of the parties for the dispute together with such fees not exceeding Rs.10 as may be fixed and notified by the Market Committee for each such dispute and the dispute shall be decided in accordance with following procedure, namely:

(i) The Secretary shall try to settle the dispute himself by hearing both the parties. In case the parties do not agree to the settlement suggested by him he shall call upon each of the parties to select one arbitrator from the panel of arbitrators appointed under sub rule (2).

(ii) The arbitrators so selected shall, after hearing the parties give their decision thereon. If there is no unanimity in the decision of the arbitrators, they shall refer the same to an umpire named by them from the panel of arbitrators aforesaid who shall, after considering the views of both the arbitrators, give his decision in the matter.

{(iii) If any of the parties to the dispute is aggrieved by the decision of the arbitrators or the umpire, he may prefer an appeal against such decision to the Disputes Sub Committee whose decision therein shall be final and binding on both parties to the dispute and if any party defies the decision of the Dispute Sub committee the Market Committee may cancel the licence of such party.

(iv) The dispute shall, as far as possible, be decided on the spot and on the same day.

(v) The Market Committee shall maintain a full record of all the disputes reported and settled as aforesaid in a register in Form 14.

#### **34. Subscription for Market Intelligence :-**

: The market committee may, with the approval of the Director, levy a subscription not exceeding Rs.25 per annum exclusive of

postage from every subscriber for copies of the market report published by the market committee. Such subscription shall be paid in advance to the market committee. The market committee shall display on the notice board of its office the arrivals, prices and stocks of notified agricultural produce, livestock or products of livestock.

**35. Propaganda in favour of production and marketing of the notified agricultural produce, livestock or products of livestock :-**

: The market committee shall whenever its funds permit, subject to the prior approval of the Director provide staff for propaganda (including demonstration) and publicity in favour of the improvement of the production and marketing of the notified agricultural produce, livestock or products of livestock.

**36. Promotion of grading services :-**

: The market committee shall undertake grading of notified commodities in accordance with the grade, at designations fixed under the Agricultural Produce (Grading and Marketing) Act, 1937 (Central Act 1 of 1937) or other grade fixed by the market committee according to the standards of commercial grading. The market committee shall, with the previous sanction of the Director, appoint necessary staff required for such grading.

**37. Prevention of adulteration of notified commodities :-**

: It shall be the duty of the market committee to take all possible steps to prevent adulteration of notified commodities in the notified area and no person doing business in the notified area, shall cause adulteration of any notified commodity or sell or cause to be sold any adulterated commodity in the notified area.

Explanation : For the purpose of this rule, adulteration of notified commodities shall include--

(a) the mixing of varieties of different qualities of a commodity, mixing of sieved remains of commodities and mixing of earth, dirt or stones or any other extraneous matter with any notified commodities.

(b) the addition of non edible colouring matter in polishing of turmeric or non edible clarificant in the preparation of jaggery.

**38. Travelling Allowance of the Members of the Committees**

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(1) The Market Committees with the strength of 16,14 and 12 members shall pay sitting fees not exceeding Rs.12 and Rs.10 per day respectively to its Chairman, Vice Chairman and members

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(2) The Market Committee shall pay its Chairman, Vice Chairman and Members the travelling allowance for journeys undertaken by them for attending the meetings of the Market Committee, meetings convened by the Director or for inspection tour within the notified area or study tour outside such notified area at the rates specified below;

(a) for journey by railway : First Class fare and daily allowance of Rs.10.

(b) for journey by road :

(i) Only daily allowance of Rs.10 when Market Committee Vehicle or Government Vehicle is used, or

(ii) Actual bus fare plus Daily Allowance at the rates prescribed in clause (a) above.

(c) for journey partly by railway and partly by road : First class fare for the rail journey and actual bus fare for the road journey plus the Daily Allowance at the rate prescribed in clause (a) above.

(d) for journey by road between places unconnected by train or bus : Travelling Allowance at the rate of 16 paise per Kilometre or Daily Allowance at the rates prescribed in clause (a) above whichever is beneficial.

(e) for halts at the State Capital and places outside the State : Daily Allowance of Rs.15.

(f) for halts at Delhi, Bombay, Calcutta and Srinagar : Daily Allowance of Rs.20. Provided that where the Chairman, Vice Chairman or a Member of the Market Committee travels in a class lower than that to which he is eligible by rail, he shall draw a single fare of the class by which he actually travelled.

Provided further that if the Chairman, Vice Chairman or a Member of the Market Committee undertakes tour on the same day under this sub rule or under sub rule (1), he shall be allowed either sitting fees or daily allowance for the day whichever is advantageous to him.

(3) The Market Committee shall not allow its Chairman, Vice Chairman, Members, officers or employees to incur any expenditure for performing journeys beyond its jurisdiction to any place within



the State without the previous sanction of the Director {or any officer authorised by him in this behalf and to any place outside the State without the previous sanction of the Government.

(4) The market committee shall not incur any expenditure on any deputation sent by it to any place outside the State without the sanction of the Government and the number of members for any such deputation shall in no case exceed three including the Chairman or Vice Chairman.

(5) The market committee may pay any an honorarium to its Chairman at the rate not exceeding Rs.200 per month, Rs.150 per month and Rs.100 per month where the annual income of the Market Committee is Rs. Lakhs and above, less than Rs.2 lakhs, but not less than of 1 lakh and less than Rs.1 lakh, respectively subject to the availability of funds and with the prior approval of the Director.

### **39. Security :-**

: The market committee shall take cash and personal security or as the case may be personal security only as specified below from each of the categories of its employees at the rates specified against each of these categories, namely:

### **40. Inspection and administration of the market committees :-**

(1) The Director shall control and ordinate the administration and proper working of the market committees in the State.

(2)

(a) He shall inspect and may authorise any of his officers to inspect periodically the offices of the market committees, markets, premises of the licensees, etc., and issue such instructions, from time to time, for proper implementation of the provisions of the Act or of the rules and buy laws made thereunder.

(b) The Director may, of his own motion, himself inspect or cause to be inspected by an officer authorised by him, the accounts of a market committee of hold an enquiry into the affairs of the market committee.

(3) When the affairs of a market committee are enquired into, all members, officers and servants of the market committee shall furnish such information and produce such documents in their possession, relating to the affairs of the market committee as the Director or the officer authorised by him may require.

**41. Officers entitled to attend meetings of Market Committee :-**

: Officers of the Marketing Department not below the rank of Assistant Director of Marketing, the District Collector or any of his subordinates not below the rank of a Tahsildar authorised by him in writing shall be entitled to attend any meeting of the market committee constituted for any notified area within his jurisdiction and to address the market committee, on any matter but shall not be entitled to vote. The Chairman of the market committee may request an officer of any other department connected with any notified agricultural produce, livestock or products of livestock to attend and address any meeting to the market committee.

**42. Meetings of the Market Committee not open to the public :-**

: The meetings of the market committee shall not ordinarily be open to the public but such persons of the public who are interested in attending a meeting can do so with the prior permission of the Chairman or the presiding member.

**43. Proposals and references :-**

: All proposals or references from a market committee intended for sanction by or for information or approval of the Government shall be sent to the Director who shall forward such proposals or references to the Government with his remarks and all references from the market committee to any officer of the Government shall be made through the Head of the Department to which he belongs.

**44. Penalty for disobedience of orders :-**

: Any person entering or attempting to enter the market when directed not to do so by an officer of the market committee or disobeying the instructions of any such officer of the market committee in regard to the places where carts and other vehicles loaded with the notified agriculture produce, livestock or products of livestock and animals may stand or in regard to the roads by which and in regard to the time at which they may proceed, shall be punishable with fine which may extend to ten rupees in the case of first offence and to fifty rupees in the case of every subsequent offence.

#### **45. Bye laws :-**

: The market committee shall make bye laws under Section 34 consistent with these rules and model bye laws framed by the Director to regulate its own procedure and to specify the conditions of trading in the notified area. The bye laws shall, inter alia, provide for

- (1) the procedure regarding issue of passes;
- (2) the method of disposal and hearing of complaints;
- (3) the levy of licence fees;
- (4) the levy of market charges.
- (5) the regulation of the duties of commission agents and other traders sellers, brokers, weighman and other licensed persons of a market.
- (6) the time lag allowed for submission of copies of tak patties and Amanat Patties to the office of the market committee by the commission agent and the late fee chargeable after due date.
- (7) the fixing of percentage of refraction and tare weight;
- (8) the refund of excess deductions made from the sale proceeds due to the seller and the recovery of the over payment made to the seller.
- (9) fees for supply of copies of records of proceedings of the meetings;
- (10) Procedure for the conduct of auction of notified agricultural produce, livestock or products of livestock.

#### **46. Prosecutions :-**

:

- (1) No prosecution shall be instituted for any breach of any of these rules without the previous sanction of the market committee. No prosecution shall be instituted against a licensed person until he has been given an opportunity of explaining his conduct and then only under the special orders of the market committee passed at a special meeting of which notice shall be given to all members.
- (2) Notwithstanding anything in sub rule (1), the Director or any officer authorised by him may, if he is satisfied that the previous sanction is refused on flimsy grounds or passing of the special orders under that sub rule is unduly delayed, he may himself institute a prosecution for any offence under these rules.

#### **47. Exercise of the powers to write off irrecoverable amounts :-**

: Before exercising the powers to write off irrecoverable amounts under Section 24 the market committee shall consider the issue in a meeting and satisfy itself that the amounts due cannot be recovered either because the person is not traceable or has become insolvent or the officer entrusted to collect such amounts has reported that the recovery is not possible.

#### CHAPTER 5

#### Regulation of Trading

### **48. Application for grant or renewal of licence under sub section (1), of Section 7 and fees chargeable therefor :-**

(1) Any person desiring to obtain or renew a licence under sub section (1) of Section 7 shall make an application in Form 5.

(i) Provided that every such applications shall be accompanied with such fees which shall not exceed {Rs.125 (Rupees one hundred twenty five only) as may be fixed in the bye laws of the market committee.

(ii) Provided further that a person residing outside the notified area and desiring to operate in a notified area of a Market Committee for specific transactions which may not exceed ten in a year may be granted a special licence on payment of such fees which shall not exceed Rs.20.(Rupees twenty only) as may be fixed in the bye laws of market committee;

(iii) Provided also that every application for renewal of licence shall be accompanied with such fees which shall be half of the fees fixed for issue of licence;

(iv) Provided also that where a trader licensed in one market committee desires to effect purchase or sale in the jurisdiction of another market committee, he may be granted a special licence on payment of Rs.15

(2) A Market Committee may exempt from the provisions of subsection (1) of Section 7 any person who on any single day carries on the business of purchasing or selling any notified agricultural produce, livestock or products of livestock of a value not exceeding Rs.300 (Rupees three hundred only).

### **49. Licence to operate as broker, carting or clearing agent, etc., in notified area :-**

:

(1) No person shall operate within a notified area as broker, carting or clearing agent, warehouseman, weighman, measurer, surveyor, lorry owner, cartman or hamal except under and in accordance with the conditions of a licence granted to him by the Market Committee: Provided that no person who is in the service of any other person, or who does any other business, shall be eligible to hold a licence as a broker, warehouseman, weighman, measurer, surveyor, or cartman, carting or clearing agent.

(2) Any person desiring to obtain a licence or renew his licence under sub rule (1) shall make an application in Form 6 or Form 7, as the case may be together with such fees not exceeding the maximum specified below as may be fixed in the bye laws of the market committee.

Provided that the market committee may, in the case of Hammal decide not to collect any licence fee.

#### **50. Grant or Renewal of Licences :-**

(1) The Market Committee shall within fifteen days of the receipt of the application for a grant or renewal of a licence under Rule 48 or Rule 49, either issue or renew a licence in Form 8 or Form 9 or Form 10 or Form 11, as the case may be, or reject the application therefor giving reasons for such rejection.

(2)

(a) An application for the renewal of a licence shall be made at least thirty days before the date on which the licence is due to expire. Provided that where any such application is not made as aforesaid, but before the date of expiry of the licence, the market committee shall on payment of a late fee at a rate equivalent to 10 percent of the prescribed licence fees during the first fifteen days and at a rate equal to 25 percent of the prescribed licence fees thereafter but within thirty days after the expiry of the date of licence, in case of a trader or a commission agent; or a late fees equal to half the amount of an annual licence fee in case of any other licence in addition to the fees specified in Rule 49 renew such licence in Form 9 or Form 10 or Form 11, as the case may be, with thirty days after the date of expiry of the licence.

(b) Every renewal of licence granted under this sub rule shall take effect from the date following that on which the licence expired.

(3) Every licence issued or renewed under this rule shall expire on the last day of the financial year, for which it was issued. Full fees shall be payable even for a part of the year.

### **51. Issue of Duplicate licence :-**

: The market committee, if it is satisfied that licence issued by it has been lost or accidentally destroyed, may issue a duplicate of that licence on payment of a fee of Re.1,(Rupee one only).

### **52. Suspension or cancellation of licences :-**

(1) The market committee may by a resolution passed in a meeting or by circulation and approved by a majority consisting of not less than four of its members, cancel or suspend the licence granted to any commission agent or trader or any other person licensed under sub section (1) of Section 7, if it is satisfied that:

- (a) the licence has been obtained through wilful misrepresentation or fraud;or
- (b) the holder thereof or any servant or any one acting on his behalf with his express or implied permission commits a breach of any of the terms or conditions of the licence or the provisions of these rules or the bye law of the market committee;or
- (c) the holder of the licence in combination with other holders of licences commits any act or abstains from carrying out his normal business in the market with the intention of wilfully obstructing, suspending or stopping the marketing of any notified agricultural produce, livestock or products of livestock in the market area in consequence where of the marketing of such notified agricultural, produce, livestock or products of livestock has been obstructed, suspended or stopped ;or
- (d) the holder of the licence has become an insolvent ;or
- (e) the holder of the licence is convicted of any offence under the Act.

(2) The market committee before cancelling or suspending the licence granted under sub rule (1) shall issue a notice to the person concerned calling upon him to show the cause with the seven days from the service thereof, why the licence should not be cancelled or suspended and consider his reply thereto if any, received from him before the expiry of the time specified in the notice:

{Provided that the Chairman, Market Committee may suspend the licence of a person who obtains licence under Section 7 or Rule 79 for a period not exceeding 7 days pending ratification by the Market Committee.

### **53. Appeal from the orders cancelling or suspending a**

**licence :-**

- (1) An appeal from the orders of the Market Committee shall be preferred within period of ninety days from the date of communication of such orders before the Director. The Director shall, on receipt of such appeal, call for all the relevant registers and records from the market committee, make or cause such enquiry as he deems necessary and pass order either confirming or cancelling the orders of suspension or cancellation of the licence.
- (2) The Director may suspend the execution of the order pending the exercise of his power under sub rule (1) in respect thereof.

**54. Method of sale :-**

: Sale of all the notified agricultural produce, livestock or products of livestock brought into a market for sale shall be conducted by the market committee by open auction or tender system or any other system specified in the bye laws. They shall be exhibited for sale, auctioned or weighed in the manner laid down in its bye laws.

**55. Unit of price quotations :-**

: The unit of price quotations in respect of sale of notified agricultural produce, livestock or products of livestock shall be the unit of metric weight, or metric measure or the number specified in the bye laws of the market committee.

**56. Trade practices :-**

- (1) The market committee shall provide facilities for direct sale between a seller and buyer in the market. The seller shall be free to sell his notified agricultural produce, livestock or products of livestock either directly or through a licenced commission agent or any other person licensed for the purpose.
- (2) It shall be the responsibility of the buyer to take delivery of the notified agricultural produce, livestock or products of livestock immediately after its weighment, measurement for counting as the case may be in the market in its naked form and make payment therefor on the same day.

**57. Places of control over weighment, measurement or counting :-**

(1) All the weighments, measurement, or counting, as the case may be, of the notified agricultural produce, livestock or products of livestock purchased or sold in the market and those under storage, pressing, processing or export in the notified market area shall be conducted under the control of the market committee through licensed weighmen who shall render such accounts therefor as may be specified by the market committee.

(2) Any person contravening the provisions of this rule shall be punishable with fine which may extend to five hundred rupees.

**58. Authorised weights and measures to be used :-**

: Only such weights and measures as conform to the metric weights or metric measures and their multiples and sub multiples thereof shall be used in transactions governed by the Act, in the notified area.

**59. Test of scales, weights and measures, weighments, measurements and counting :-**

: Any officer or employee of the market committee authorised by it in this behalf, may, at any time and without notice, examine and test any scale, weight or measure used, kept or possessed in any place within the limits of the notified area and inspect, examine and test the weighment, measurement or counting, as the case may be, of any notified agricultural produce, livestock, or products of livestock within the limits of the notified area.

**60. Set of metric weights and measures to be kept by the market committee :-**

: The market committee shall keep at least one set of metric weights and scales which shall, during the office hours of the market committee, be available to the public for comparison with their own metric weights and scales.

**61. Counter balancing in weighment :-**

: A weight equivalent to that of the bag, tin or other packing material, which contains the notified agricultural produce or products of livestock and the rope or twine used for the packing thereof shall be added to the weight side of the scale in order to counter balance the weight of such bag, tin or other packing material and the rope or twine placed on the weighing side of the



scale.

**62. Production of scales, measures and weights for inspection :-**

: Every person who is granted a licence under sub section (1) of Section 7 shall on order by any person authorised under Rule 59 declare every scale, measure or weight kept or possessed by him or by any person or persons under his authority and control and produce them for examination at such time and in such place as may be required and shall allow the person authorised under Rule 59 to examine and test the same.

**63. Report on incorrect scales, measures and weights :-**

: If on examination under Rule 59 or Rule 62 any scale, measure or weight is found to be unauthorised or to be incorrect, the matter shall be reported by the Secretary to the concerned Government officer in charge of the administration of the weights and measures for such action as is deemed necessary by him in the circumstances of the case.

**64. Commission agent or buyer to pay scale proceeds to the seller promptly :-**

When the notified agricultural produce, livestock or products of livestock is sold through a commission agent, he shall pay the sale proceeds of the notified agricultural produce, livestock or products of livestock from his own account to the seller on the same day of its sale after deducting charges payable by the latter as permissible under the bye laws of the market committee and recover the same from the buyer

Provided that when any notified agricultural produce, livestock or products of livestock is sold directly by the seller to the buyer, the latter shall pay the sale proceeds to the seller immediately on the same day after the weighment, measurement or counting is done through the market committee on the basis of measurement or counting prepared by it. He shall be entitled to lift the notified agricultural produce, livestock or products of livestock only after payment of sale proceeds.

**65. Issue of tak patti :-**

: Every commission agent shall effect payment in accordance with

the tak patti (sale slip) prepared and shall issue the original to the seller, duplicate to the buyer, triplicate to the officer of the market committee and the fourth copy duly signed or marked with the thumb impression of the seller as having received the net amount of the sale proceeds shall be retained by the commission agent himself for a period of two years or till such time as the tak patties are audited by the officer authorised whichever is earlier.

**66. Issue of amanat patti :-**

: Where any notified commodity is brought to the commission agent to conduct its sale in the market or to transport it to other market or export at a later date, the latter shall arrange for its storage on his own account pending such sale or transport thereof, and he shall issue amanat patti (storage slip) in the manner specified in the bye laws of the market committee.

**67. Commission agent to arrange storage facilities :-**

: It shall be the responsibility of the commission agent to arrange for the storage of the notified commodities and its insurance against theft, fire, floods, rains or any natural calamity, if desired by the seller pending its sale in the market or export thereof, at a later date

Provided that where a seller assembles any notified commodity in the market by direct sale, the market committee besides providing all facilities for such sales, may provide temporary storage for unsold stocks for a period not exceeding one week, if so desired by the seller and also undertake such insurance on his behalf and recover such amounts as may from time to time, be determined ;

Provided further that where a notified commodity is stored and not removed within a week, the said notified commodity may be dealt with as specified in the bye laws of the market committee.

**68. Fixation of trade allowance and deductions :-**

(1) No licensed trader, broker or weighman shall demand, take or retain any allowance or unpaid for sample in regard to any transaction entered into in the notified area. Any person demanding, taking or retaining such allowance or unpaid for sample or in any way facilitating or conniving at the demanding, taking or retaining of such allowance or unpaid for sample shall be

punishable with fine which may extend to two hundred rupees.  
Explanation : A sample which it is intended to pay for on weightment is not an unpaid for sample within the meaning of this rule.

(2) No fees or contribution on account of charity shall be levied on or paid by any seller in respect of the auction sale of his notified commodity in the notified area or its storage, weightment, measurement, pressing, processing or export in the notified area and any person demanding, taking or deducting such fees in the tak patti or amanat patti or in any way facilitating or conniving at the demanding, taking or deducting such collection directly or indirectly in respect of any notified commodity in the notified area shall be punishable with fine which may extend to five hundred rupees.

(3) Where a Market Committee is of the opinion that any trader or commission agent in the notified market area has made any collection in excess of what is allowed in the rules or in the bye laws, the market committee shall by a resolution passed in a meeting, authorise any officer not below the rank of an Assistant Secretary to direct the trader or commission agent to produce before him the Tak Patties, the account books, relevant records and documents for inspection and to furnish any other information and to explain contents thereof. Such records and documents shall be treated as confidential except for the purposes of any Government Department.

(4) The officer authorised by the Market Committee in this behalf, after examination and inspection of the records and after such enquiry as may be necessary may determine the amount collected in excess or unauthorisedly on the basis of the transactions, appearing in the dealer accounts books and on the basis of enquiry made. The officer authorised shall issue a notice to the trader or commission agent concerned calling upon him to show cause within seven days from the service thereof why the said amount collected in excess or unauthorisedly shall not be recovered from him. The Market Committee after duly considering the reply thereto, if any, received from the trader or commission agent, before the expiry of the time specified in the notice, shall direct that he shall pay the excess amount collected within a period of 15 (fifteen) days either by crossed Demand Draft or in cash and obtain receipt therefor in token of having paid to the Market Committee the excess collection made by him.

(5) Whoever, in contravention of the provisions of this rule, refuses

to produce the record and accounts as required by the officer authorised by the Market Committee, shall be punishable with fine which may extend to five hundred rupees ; and in the case of continuing offence with a further fine which may extend to fifty rupees for every day during which the contravention is continued after conviction therefor.

**69. Chungdi to be brought by the buyer :-**

: No buyer shall refuse to buy the chungdi at the same price as declared for the lot, of which the former forms a part ; any sweepings of the market shall be the property of the market committee and the cost thereof shall be credited to its accounts at the end of each day transactions.

**70. Registers to be kept by traders, commission agents, weighmen, etc :-**

(1) Every licensed trader, commission agent, ginner, presser, processor, warehouseman, importer, exporter, stockists and any other licensed person operating in the notified area shall maintain accounts in such manner and submit such reports and returns to such authority as may be specified by the Market Committee in this behalf .

(2) If any licensed person fails to send any reports or returns under this rule or if the Secretary or the Director considers it necessary to examine the account books relating to the business of any such person, to satisfy himself about the corrections of any report or returns submitted by him or for any other sufficient reason, the Secretary or the Director, as the case may be, may direct such person to produce before him the account books and other relevant records and documents for the inspection and to explain the contents thereof. Such records and documents of the licensed person shall be treated as confidential except for purposes of any Government Department. If any licensed person fails, without sufficient cause, to comply with the directions of the Secretary or the Director aforesaid, he shall be punishable with fine which may extend to Rs. 500. (Five hundred rupees).

**71. Employing a Broker :-**

(1) No person shall, in the absence of an express agreement, be

bound to employ a broker in any transaction or be required to pay for a broker employed by any other party to the transaction or to pay for a broker when none is employed.

(2) The same person shall not act as a broker both for the buyer and the seller of a notified agricultural produce, livestock, or products of livestock or present or offer for sale in a notified area an adulterated notified commodity.

## **72. Storage and Accommodation :-**

: The market committee, may, so far as its funds permit, arrange accommodation for livestock in the market and for the storage or for stocking of notified commodities. The market committee shall not allow any such accommodation to be utilised for the purpose of facilitating speculative holding up of any such notified commodities.

## **73. Market Charges :-**

{(1) No charges other than those specified by the Director by a general or special order shall be payable by the seller or the purchaser in a market.

(2) A licensee functioning as commission agent shall not collect any amounts other than the market charges as prescribed under the provisions of the Act, the rules made thereunder or the bye laws.

(3) Any person contravening the provisions of sub rule (2) shall be punishable with a fine which may extend to five hundred rupees.

## **CHAPTER 6**

Market fees Levy and collection of fees

## **74. Market Fees :-**

:

(1) The fees leviable under sub section (1) of Section 12 on notified agricultural produce, livestock and products of livestock if paid to a market committee within the State shall not be collected by another Market Committee when such notified agricultural produce, livestock or products of livestock are brought into the notified market area of another market committee for the purpose of processing, pressing, packing, storage, export and on sales effected in the course of commercial transactions between the licensed traders, and the licensed traders and consumers subject to production of such evidence as may be prescribed in the bye laws about the payment of market fees from where it was brought.

Provided that the fees shall be levied on the notified agricultural produce, livestock or products of livestock when such agricultural produce, livestock or products of livestock are sold in auction or in other manner prescribed in the bye laws in the market either directly or through commission agents even though purchased already in the same market or some other market or place within the State.

(2) Such fees shall be leviable as soon as the notified agricultural produce, livestock and products of livestock is purchased or sold by a licensee. The notified agricultural produce, livestock or products of livestock shall be deemed to have been purchased or sold after the notified commodity has been weighed or measured or counted or when it is taken out of the notified market area.

(3)

(4) The market committee may collect market fees through its licensed commission agents.

(5)

(a) The market fees collected by the licensed commission agents or traders on the notified agricultural produce, livestock or products of livestock, shall be paid to the market committee not later than the 25th of the succeeding month

(b) Any contravention of this sub rule shall be punishable with fine which may extend to five hundred rupees.

## **75. Check post :-**

:

(1) No person shall transport any notified agricultural produce, livestock, or products of livestock purchased or sold in the notified market area, from the limits thereof, except on production of the receipt for the payment of prescribed fees in respect of such notified agricultural produce, livestock or products of livestock to the market committee concerned.

(2) Any employee of the market committee authorised by it in this behalf shall have power at any time and without notice to stop and check any vehicle suspected to carry unauthorisedly any notified agricultural produce, livestock or products of livestock from any place within the limits of any notified market area.

(3) Any person who fails to stop the vehicle when required to do so under sub rule (2), shall be punishable with fine which may extend to Rs. 500 .

## **76. Penalty for evasion of payment of fees :-**

: Any person removing or attempting to remove any notified agricultural produce, livestock or products of livestock from any notified market area or allowing the transport of any such notified agricultural produce, livestock or products of livestock from such area in contravention of the provisions of Rule 75 before the fee has been paid therefor and a receipt obtained in respect of such payment or practising any device in order to evade or facilitate evasion of the payment of the fees shall be punishable with fine which may extend to five hundred rupees.

Explanation: For purposes of Rules 75 and 76, the expression person shall include a Government.

#### **77. Register of Fees :-**

: The market committee shall maintain a register showing the licence fees, fees under Section 12 or any other charges collected by it. A receipt shall be granted to every person in respect of the fees, or charges so collected from him under these rules

#### **78. Use of employees for collecting fees :-**

: The fees under Section 12 shall be collected only by the officers and servants of the market committee. The of collecting fees shall not be leased out.

#### **79. Employees collecting fees :-**

: Every officer or servant of the market committee other than the Secretary shall carry an identification card given under the seal of the market committee authorising him to collect fees on behalf of the market committee.

#### **80. Inspection of cash and accounts :-**

: The Secretary shall arrange to inspect and check periodically the cash and accounts of the officers and servants, authorised to collect fees on behalf of the market committee.

### **CHAPTER 7**

Market Committee Funds, Budget and Account

#### **81. Budget :-**

: The market committee shall meet annually not later than two

months, preceeding the commencement of its official year to prepare and adopt the budget of income and expenditure for the next year in the form specified by the Director and shall submit to the Director for sanction before 45 days of the closure of the year. Provided that the market committee shall be competent to incur expenditure provisionally as per budget passed by the committee in case the sanction of the Director is not received within 30 days from the date of submission of the budget to him.

**82. Budget conference of Committee :-**

: The Director may convene a conference or conferences of the representatives of the market committees to discuss issues relating to the budget estimate of individual committees and may effect alterations whenever necessary considering the resources and needs of each of such market committees.

**83. Reappropriation of Savings from and item to another item of Expenditure and Supplementary Grants :-**

: The market committee shall regulate its expenditure in accordance with the provisions of its budget and in accordance with instructions issued from time to time, by the Director. No expenditure shall be incurred for which there is no budget provision unless it can be met by reappropriation from savings under other heads or by a supplementary grant from the available reserve, subject to such demand from the market committee and sanction thereto by the Director.

**84. Publication of Accounts in Audit :-**

(1) The market committee shall keep such accounts and in such form and in such manner as may be specified by the the Government in this behalf by general or special order for the audit of the accounts of the committee. The market committee shall prepare and publish annually before the end of the month following the close of its official year a statement of its assets and liabilities with a balance sheet as on the closing day of that year.

(2) The Secretary shall cause to be produced all accounts, registers, documents, and other papers, which may be required by the Director in connection with the audit of the accounts of the market committee. He shall also furnish immediately any explanation called for by the Director for the settlement of any discrepancy in such



accounts.

### **85. Surplus Fund :-**

: All unexpended balances on the last working day of the committee official year shall be invested in such banks or in such interest bearing securities with the sanction of the Government or of an officer authorised by the Government in this behalf.

### **86. Central Market Fund :-**

: The market committee at the end of every month shall assess the amount of contribution on the basis of all monies received by it and credit the same to the Central Market Fund.

### **86A. Contribution To The Market Fund :-**

(1) Every market committee shall contribute to Central Market Fund before the 20th of April, of the subsequent year 10% of its income derived in the previous year.

(2) Every Market Committee shall maintain a separate Register showing the income of every year and remittance to the Central Market Fund every year.

(3) In case any market committee fails to remit the contribution to the Central Market Fund within the time prescribed, the said amount with simple interest at 6 per annum shall be recoverable from the market committee by the Director.

### **86B. Application And Administration Of Central Market Fund**

**:-**

(1) The Central Market Fund may be applied by the Director for all or any of the following purposes, namely:

(i) Grant in aid of the market committee for the first year after their constitution under the Act for incurring initial expenditure for the setting up of office of market committee or a market.

(ii) Grant in aid not exceeding Rs.20,000 shall be sanctioned to such of those committees which are either deficit or lacking the repaying capacity. Such grants shall be used for providing amenities to the users of Market Yard.

(iii) Grant of loans to market committees for acquisition of sites for market yards and their development, at such rate of interest as is charged on loans granted by the Government to local bodies for developmental purposes.

(iv) Expenditure to be incurred in maintaining and running the Central Market Fund and in connection with State Agricultural Marketing Advisory Board.

(v) Expenditure to be incurred for grading, market intelligence, publicity, developmental works, purchase of movable and immovable properties and appointment of staff necessary therefor.

(v-a) Expenditure to be incurred for receiving and entertaining the marketing delegations and V.I.Ps. from other States to the extent of Rs.1,000 on each occasion.

(vi)

Such other purposes as the Government may by general or special order specify to promote agricultural marketing in general.

(2) The director shall obtain the approval of the Government before sanctioning

any grant in aid or loan exceeding Rupees five thousand.

(3) The grant in aid of a deficit market committee may be for a period not exceeding three years.

### **86C. Budget Of Central Market Fund :-**

: The Director of Marketing will prepare the Annual Budget of income and expenditure of the Central Market Fund and submit before the 30th April of every year to the Government for sanction:

Provided that the Director shall be competent to incur expenditure provisionally as provided for in the budget pending sanction of the Government.

### **86D. State Agricultural Marketing Advisory Board :-**

(1) There shall be a State Agricultural Marketing Advisory Board consisting of 25 members, of whom,

(a) 3 shall be the following officials:

(i) the Secretary to Government, Food and Agriculture Department;

(ii) the Director of Marketing ; and

(iii) one official representing the Directorate of Marketing and Inspection, Government of India;

(b) 9 shall be from among the Members of the Andhra Pradesh State Legislature, to be nominated by the Government;

(c) 13 shall be non officials to be nominated by the Government in consultation with the Director of Marketing in the following manner:

(i) three Chairmen, Market Committees from each of the three zones I, II and III as specified in Rule 159 ;

(ii) three progressive growers;

(iii) one representative of Chamber of Commerce of Andhra Pradesh. The Minister in charge of Marketing shall be Ex officio Chairman, and the Director of Marketing shall be Secretary of the Board. There shall also be a Vice Chairman to be elected from among the non official nominated members, including members of the State Legislature.

(2) The functions of the Board shall be--

(i) to tender advice to the Government in all matters relating to utilisation of Central Market Fund for the general improvement of markets in the State;

(ii) to consider different problems of the Market Committees arising out of the enforcement of the Act and Rule and to render necessary advice, from time to time;

(iii) to do all such acts may be directed by the Government, from time to time, to promote orderly marketing of commodities notified under the Act;

(iv) to review the working of regulated markets in general and suggest measures to bring about uniformity in marketing practices in all the regulated markets :

(3) The term of office of the non official members of the Board shall be three years. Provided that the members of the Board who are nominated from among the members of the State Legislature shall continue only so long as they remain to be such members.

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

(3A) Where a person ceases to be a member under the proviso to Rule (3), the Secretary of the Board shall at once intimate the fact in writing by Registered Post with Acknowledgment due to such person and report the same to the Board, at its next meeting. If such person applies for restoration of membership to the Board on or before the date of its next meeting or within fifteen days of the receipt by him of such intimation, the Board may at the next meeting after the receipt of application

restore him to his office.

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

(4) Subject to the rules made for the purpose of administration of the Central Market Fund, the Board may employ such persons for the performance of the functions of the Board and may give them such remuneration as it may think fit and may suspend, remove, dismiss or otherwise punish any person so employed.

(4A) The rules relating to the conditions of service, pay and allowances, pension, provident fund contributions applicable to the employees of the Market Committees, for the time being in force, shall apply to the persons of the corresponding posts employed under sub rule (4).

(5) The Board shall meet at least once in three months.

(6) The members of the Board shall be eligible for Travelling Allowance and Daily Allowance at such rates as may be prescribed by the Government for a 1st Class Committee:

{Provided that the members whose headquarters is located at a place where the meetings of the Board are held, they shall be eligible to draw only sitting fees equal to daily allowance.

## CHAPTER 8

### Market Committee Works

#### **87. Works :-**

(1)

(a) All plans and estimates for works proposed to be carried out by the market committees shall wherever feasible or practicable be designed by the Engineering cell of the office of the Director. In cases where such Engineering cell considers that the technical advice of any Engineer of the Public Works Department or Roads and Buildings Department or Public Health Department is necessary, the case may be referred to such Department.

(b) Technical sanction of all the original works and repairs shall be accorded by the Market Engineer.

(c) No works for which plans and estimates have not been previously prepared or which have not received the technical sanction shall be included in the budget.

(2) The Market Committee shall call for tenders in the proforma and in accordance with the procedure which shall be specified by the Government in consultation with the Director and the Public Works Department.

(3)

(a) No works shall be undertaken or carried out except under the supervision of a qualified technical officer not below the rank of an overseer or supervisor appointed for the purpose by the market committee in consultation with the Director.

(b) In respect of any work the approved estimate of which exceeds Rs. 5,000, the Market Engineer authorised by the Director in this

behalf shall inspect the works at the stage of excavation and roof level on intimation by the Market Committee. The foundations shall be filed under the supervision of the said Market Engineer and roof shall not be laid in his absence. Provided that where the approved estimate of any work does not exceed Rs. 5,000 it shall be competent for the Market Committee to execute the same under its own supervision in accordance with the technical advice tendered by the Director from time to time ;

Provided further that the final payment for the work shall be made by market committee on its own responsibility, only after check measurement made by the Market Engineer authorised by the Director in this behalf.

#### CHAPTER 9

#### Surcharge Rules

### **88. Submission of Accounts :-**

: The Secretary shall submit all accounts of the market committee to the Director of Local Fund Audit (hereinafter referred to as "the auditor") as required by him.

### **89. Power to summon Documents :-**

:

(1) The Auditor may

(a) by summons in writing, require the production of any book, deed, contract, account, voucher, receipt or other document, the perusal or examination of which he considers necessary ;

(b) by summons in writing, require any person having the custody or control of any such document or accountable for it to appear in person before him ;

(c) require any person so appearing to make and sign a declaration with respect to such document or to answer any question or to prepare and furnish any statement relating thereto

.

(2) Whoever fails to comply with any requisition lawfully made upon him under this rule, shall be punishable with fine which may extend to fifty rupees.

### **90. Auditor to report Material Impropropriety or Irregularities, Loss, Waste or Misapplication :-**

:

(1) The auditor shall report to the market committee any material impropriety or irregularity which he may observe in the expenditure or in the recovery of money due to market committee or in the accounts of the market committee.

(2) The Auditor shall report to the market committee any loss, waste, or misapplication of money or other property owned by or vested in the market committee, if such loss, waste or misapplication is a direct consequence of neglect or misconduct, with the names of any person directly or indirectly responsible for such loss, waste or misapplication.

**91. Duty of the Secretary to remedy the defects or irregularities :-**

: The Secretary shall forthwith remedy any defects or irregularities that may be pointed out by the auditor and report the same to the market committee.

**92. Powers of auditors to disallow and surcharge :-**

(1) The auditor may disallow every item contrary to law and surcharge the same on the person making or authorising the making of the illegal payment and may charge against any person responsible therefor the amount of any deficiency, loss or unprofitable outlay incurred by the negligence or misconduct of that person or of any sum, which ought to have been, but is not brought to account by that person and shall in every such case, certify the amount due from such person. Explanation : It shall not be open to any person whose negligence or misconduct has caused or contributed to any such deficiency or loss, to contend that notwithstanding his negligence or misconduct, the deficiency or loss would not have occurred, but for the negligence or misconduct of some other person.

(2) The auditor shall state in writing the reasons for his decision in respect of every disallowance, surcharge or charge and furnish by registered post a copy thereof to the person against whom it is made.

(3) If the person to whom a copy of the auditor decision is so furnished refuses to receive it, he shall nevertheless be deemed to have been duly furnished with a copy of such decision within the meaning of sub rule (2). The period of fourteen days referred to in Rules 93 and 94 shall be calculated from the date of such refusal.

### **93. Appeals :-**

: Any person aggrieved by disallowances, surcharge or charge made may, within fourteen days after he has received or been served with the decision of the auditor, appeal to the Government in Food and Agriculture Department. Any order passed on such appeal by the Government shall be final.

### **94. Payment into treasury :-**

: Every sum certified to be due from any person by the auditor under these rules, shall be paid by such person into the Market Committee Fund, within fourteen days after the intimation to him of the decision of the auditor, unless within that time such person has appealed to the Government against such decision, and such sum, if not paid, or such sum as the Government shall declare to be due, shall be recoverable on an application made by the Director to the court in the same way as an amount decreed by the said court.

### **95. Power to waive recovery of the amount due :-**

: Notwithstanding anything in these rules, the Government may, at any time, direct that recovery of the whole or any part of the amount certified to be due from any person by the auditor under these rules, shall be waived if in their opinion such a course is necessary and proper after considering all the circumstances of the case.

### **96. Returns :-**

: In order to enable the auditor to watch the timely recovery of all amounts covered by the surcharge certificate issued by him, a half yearly return in the form given below shall be sent by the Market Committee to the auditor. The action taken to effect the recoveries for which the Market Committee is responsible shall be specified in the return. The return for each half year shall include all surcharges outstanding at the end of the half year and shall be sent to the auditor by the 10th of the month succeeding the half year to which the return relates. The return shall contain detailed information regarding the stage of recovery of amounts due and they shall be sent with a certificate that the recovery of the amounts has not become time barred. Where no amount is pending recovery, a return shall be sent. As soon as an amount is completely recovered,

the market committee shall report the fact to the auditor.

## CHAPTER 10

### Financial Rules

#### **97. Procedure for maintenance of accounts :-**

: The procedure laid down in the Andhra Pradesh Financial Codes, Account Codes. Treasury Codes and instructions, if any, issued from time to time, shall mutatis mutandis apply, in regard to maintenance of accounts, registers and forms, etc., by the market committees.

#### **98. Vouchers :-**

: Vouchers for payment shall be in the relevant form in the Andhra Pradesh Treasury Code, Volume II and care shall always be taken to keep a sufficient stock of those forms on hand. In the case of miscellaneous purchases, the payment shall be made on the suppliers bills. When such payments are made from the permanent advance, the suppliers bills shall be attached to the recoupment bill as sub voucher. If they are in an Indian language, an English abstract of them shall always be inserted in them under the initials of the Secretary or the drawing officer of the market committee. When party payments are made from the permanent advance and no separate receipts can be obtained, a memorandum shall be drawn up showing the nature and amount of the expenditure and this shall be passed by the drawing officer. After payment is made, this shall be treated as sub voucher for the payment. Voucher passed for payment by an officer subordinate to the Secretary shall, as soon as possible and not later than the end of the month in which payment is made, be submitted to the Secretary who shall scrutinise them and countersign them if they are in order in all particulars.

#### **99. Presentation of Bill :-**

:

(1) Every person having any claim against market committee fund shall present a bill at the office of the market committee. Wherever possible, such bill shall be in the form, if any, provided for the purpose and the claimant shall duly date and sign the same and stamp it, where necessary.

(2) Whenever possible, printed forms shall be used in preparing

bills.

(3) Where a claimant presents a bill in a form different from that, if any, provided for the purpose, a separate bill in the proper form shall be prepared by the office incurring the expenditure and the claimant bill shall be attached thereto as a sub voucher.

#### **100. Payment of Bills :-**

: Every bill shall be presented to the Secretary who shall make it over to the Accountant of the market committee. The Accountant shall enter it in a register of bills and then check and examine the bill as regards its admissibility with reference to sanction of other documents, the propriety of the claim and the arithmetical accuracy. If on such check and examination the bill is found to be correct and in order it shall be placed before the Secretary for signing the payment order in the bill which shall be in the following form;

#### **101. Acknowledgment and receipt of the Bill :-**

:

(1) Separate acknowledgment (stamped where necessary) shall be taken when disbursements are made in the office of the market committee in the last column of the bill and in other cases in the acquittance register from each officer or servant to whom any salary or allowance is paid except where the drawer of the bills is the sole payee and has already furnished a receipt (stamped where necessary) on the bill itself.

(2) Where any officer or servant of the market committee makes any payment from any sum drawn by him he shall, unless a receipt (stamped where necessary) has been furnished on the bill itself, obtain and attach to the bill a separate receipt (stamped where necessary).

#### **102. Authority to sanction bill :-**

: Whenever any item of expenditure requires the sanction of any authority higher than the officer or servant drawing the bill, such sanction shall be obtained and the terms thereof shall be quoted on the bill. A copy of the order conveying such sanction shall be communicated to the Audit Officer authorised or appointed in this behalf.

#### **103. Sanction of bill :-**



(1) No item of expenditure shall be sanctioned by the market committee unless a certificate in the following form has been furnished in respect thereof.

(2) If there is no budget provision under the head concerned and the market committee decided to find the amount by re appropriation from another head, the words "by re appropriation" shall be added after the word "met".

(3) The certificate shall be entered in the agenda, circulated before the meeting and if accepted by the market committee, it need not be written again as part of the resolutions in the minutes book. If, however, the market committee makes any alteration either in the amount of expenditure or in the head from which the expenditure is to be made, the certificate as amended shall form part of the resolution of the market committee and be entered as such in the minutes book.

#### **104. Period of bill for payment :-**

No claim against the market committee shall be paid when the bill in respect thereof is presented more than six months from the date on which the claim became due without the specific sanction of the market committee in that behalf.

#### **105. Over payment of the Bill :-**

The responsibility for an over payment shall rest primarily with the drawer of the bill who shall be required to make good the over payment and failing recovery from him, the over payment shall be recovered from the countersigning or passing officer only in the event of culpable negligence by either of them

Provided that the Secretary shall neither admit a bill nor issue a cheque on any account which is not in consonance with the rules or the bye laws or the orders of either Government or the Director issued, from time to time.

#### **106. Defalcation or loss of moneys or stamps :-**

(1) Any defalcation or loss of moneys or stamps belonging to the market committee shall be reported immediately after discovery to the Director and also to the Assistant Director of marketing in whose jurisdiction the market committee is situated. A further and

complete report shall also be submitted to him, as soon as may be after the matter has been fully enquired into, setting forth the nature and extent of the defalcation or loss, the errors or neglect of rules by which such defalcation or loss was rendered possible, and the prospects of effecting a recovery.

(2) Loss by theft or otherwise of other property belonging to the market committee shall be reported to the Audit Officer, if the value of the property is loss exceeds one hundred rupees.

(3) The submission of the reports under sub rules (1) and (2) shall not be deemed to debar the committee concerned or its Secretary from taking such further action as may be considered necessary.

#### **107. Custodian of cheque books :-**

The cheque books shall be kept in the personal custody of the drawing officer or the Accountant and when a transfer of charge takes place, a note shall be recorded in the cash book over the signature of both the relieved and the relieving officers showing the number of unused cheques and cheque books made over and received by them respectively.

#### **108. Precautions to be observed in the maintenance of cheque books :-**

The cheque book in use may be made over to the Accountant whenever required but it shall be returned before the office is closed for the day. The officer in whose custody it is to remain shall satisfy himself then and there that all unused pages are in the book and that none has been surreptitiously extracted.

#### **109. Signing of cheques :-**

No cheque shall ordinarily be signed unless required for immediate delivery to the person to whom the money is to be paid.

#### **110. Writing up of cheques :-**

The amount of every cheque drawn shall be written in words as well as in figures both on the cheque itself and on the counterfoil and the counterfoil shall be initialled by the person who signs the cheque.

#### **111. Authority to sign cheques :-**

Cheques of the value of rupees one hundred and below drawn on behalf of the market committee shall be signed by the Secretary. All other cheques drawn on behalf of the market committee shall be signed by the Secretary and countersigned by the Chairman or by the Vice Chairman in the absence of the Chairman. No payment shall be made from any Government treasury or bank on any cheque purporting to be drawn on behalf of the market committee, unless it is signed or signed and countersigned as the case may be, as aforesaid. Whenever a person who is empowered to sign or countersign hands over charge of his office whether temporarily or permanently, he shall send a specimen of the signature of the relieving officer together with a certificate in the form given to the Treasury Officer or the Bank, as the case may be :

**112. Cancellation of cheques :-**

When a signed cheque is cancelled, it shall be effaced or stamped "cancelled" by the Secretary and shall be destroyed by the Director at the time of audit. The fact of cancellation shall be noted in red ink under the initials of the drawer of the cheque upon the counterfoil and also across the pass order on the voucher.

**113. Cancellation of cheque and the cash book :-**

If the cheque is cancelled before the cash transaction of the month in which it was issued have been totalled, the entry in the Cash Book shall be struck out in red ink under the initials of the Secretary with a note that the cheque has been cancelled.

**114. Issue of cheque and cash book :-**

If, however, the cash book has been totalled, and the correction is required to be made in a year subsequent to that in which the cheque was issued, the amount of the cheque shall be credited in the cash book in the treasury column under the head "Refunds, of expenditure of the previous year". If, however, the correction is made in the year in which the cheque was issued, it should be posted on the payment side of the cash book in the treasury column as a minus entry under the head of expenditure to which it was originally charged.

**115. Preparation and drawal of establishment bills :-**

The pay bill shall be prepared in such form as may be specified by

the Government. Cheques in payment of establishment bills shall be drawn in favour of the Secretary or the Supervisors of market yards, as the case may require.

**116. Monthly pay bills :-**

The monthly pay bills of the establishment of the market committee shall be supported either by an absentee statement in such form as may be specified by the Government or by a certificate in that bill that no leave has been granted to any member of the establishment.

**117. Increment and the pay bills :-**

To the first pay bill in which a periodical increment is drawn, an increment certificate, in such form as may be specified by the Government, shall be attached.

**118. Pay of officer or servant lent by Government or other market committee :-**

The pay of an officer or servant lent by the Government to the market committee or transferred to it from any other market committee shall be drawn only after the receipt of a last pay certificate (which shall be in such form as may be specified by the Government, from time to time) granted by the head of his former office. Such certificate shall be attached to the first pay bill drawn after such loan or transfer.

**119. Pay, leave salary and allowances to deceased officer and servant :-**

Pay, leave salary and allowance may be drawn for the day of man's death ; the hour at which death takes place does not affect the claim.

**120. Payments due to a deceased officer or servant :-**

: - The payments due to a deceased officer or servant of the market committee shall not be made except on the production of an authority of the nature specified in clauses (i), (ii), (iii), (iv), or (v) of sub section (1) of Section 214 of the Indian Succession Act, 1925.

Provided that payments may be made without the production of

such authority

(i) to the extent of three hundred rupees under the orders of the Secretary if he is satisfied, after such enquiry as he may consider sufficient about the right and title of the claimant ; and

(ii) above three hundred rupees under the orders of the market committee on the execution of an indemnity bond with such surety or sureties as it may require, if it is satisfied, after such enquiry as it may consider sufficient about the right and the title of the claimant and considers that undue delay and hardship would be caused by insisting on the production of such authority.

### **121. Last payment of employee pay and allowances :-**

The last payment of an employee pay and allowances or, in case he is finally quitting the service of the market committee at the end of any leave granted to him the last payment of his leave salary shall not be made until it has been ascertained that there are no demands outstanding against him. A certificate to this effect signed by the secretary shall be attached to the bill in which such pay and allowances, or leave salary is claimed.

### **122. Arrears of pay :-**

Arrears of pay shall be drawn not in the monthly bill but in a separate bill which shall quote the bill from which the charge was omitted or withheld or in which it was refunded by deduction.

### **123. Signing of pay bills :-**

The pay bills shall be signed and passed by the Secretary who shall be the Pay Drawing Officer for himself and all other employees of the market committee.

### **124. Cheques in respect of payment of salary and fixed allowances :-**

The cheques in respect of payment of salary and fixed allowances shall not be issued before the first working day of the month following that to which the payment relates: Provided that in the event of an officer or servant finally quitting the service of the market committee or being transferred to the service of another market committee or the Government, cheques may be issued on the date of such event Provided further that when the first six days of a month are public holidays on which payments are not made at

the treasury or bank concerned, cheques may be issued on the last working day before the holidays.

**125. Responsibility of drawer of bill :-**

The drawer of a bill for salary and allowances shall be personally responsible for the amount so drawn until it has been disbursed to the proper person or persons and their acquittances (stamped where necessary) have been obtained. If the payee does not present himself within thirty days from the date of the drawal of money, the amount drawn for him shall be refunded by a short drawal in the next bill. The amount of salary and allowance drawn shall not in any circumstances be placed under deposit.

**126. Checking of monthly bills :-**

In order to facilitate the check of the monthly bills for recurring charges, such as pay of establishment, house rent and fixed travelling and conveyance allowances, an audit register shall be maintained in the office of the market committee.

**127. Refund of revenue :-**

Whenever any refunds of revenue already collected are made with the sanction of the market committee, the fact of the refund shall be noted in the register concerned against the entry for the receipt of the item concerned.

**128. Stamp Account :-**

A register of stamp account shall be maintained in such form as may be specified by the Government either by general or special order. When any charges are incurred in a contingent bill on account of purchase of stamps for postage, the Secretary or the Officer in charge in the case of subordinate offices shall, before signing the contingent bill, satisfy himself that the stamps have been actually brought to account in the register maintained under this rule and should initial the entries in question. Care shall also be taken to see that the issue entries on account of postage are fully supported by the corresponding entries in the despatch register. The balance shall be struck in the register and verified at the end of each month by the Secretary or by an Officer in charge in the case of subordinate offices who shall certify to the verification in the register.

### **129. Stationery Account :-**

The market committee shall maintain the stationery account in such form as may be specified by the Government. The purchase shall be made annually on indents duly sanctioned by the market committee and showing the stock in hand at the time, the actual consumption of the previous year and the quantity required. The issues should be acknowledged in the register by the recipients concerned. The balance should be struck at the end of each quarter and verified with the actual stock by the Secretary, who shall certify to the verification in the register.

### **130. Purchase of books and periodicals :-**

The market committee may purchase books, periodicals and maps relating to matters concerning the market committees activities subject to provision in the budget for the year.

### **131. Law charges :-**

(1) In respect of all cases leading to disputes, civil or criminal, where legal advice or representation in courts is necessary, the Market Committee shall seek advice or entertain the services of Government Pleaders, Public Prosecutors, Additional Public Prosecutors, Pleaders doing Government work or other Law Officers having jurisdiction and appointed by the Government for the various courts. In case where there are more than one Law Officer having jurisdiction over the particular court where the case is filed, the market committee may seek the advice or entertain the services of such law officer as may be decided by the Collector.

(2) The market committee may pay fees to counsel without the sanction of the Government in accordance with the following scale

(i) in civil cases, the regulation fee or the fee allowed by the court, whichever is higher; and

(ii) in criminal cases the fee to be fixed with reference to the amount and the nature of the work involved, but subject to a maximum of Rs. 35 for each day during which the counsel is engaged in court in connection with the case for not less than three hours but at station different from that where he usually practises and Rs. 15 for each day in all other cases

Provided that where the counsel is engaged in court in more than one case on the same day, the total fee payable to him for that day

for the cases shall not exceed Rs. 50.

**132. Authority to sanction the payment of fees :-**

(1) Whenever the market committee proposes to pay fees in a civil case exceeding the regulation fee or that allowed by the Court, but not exceeding Rs. 500 the sanction of the Director shall be obtained.

(2) A market committee may with sanction of the Director pay fees upto Rs. 100

(i) in each case for work done in examining the records and for services rendered out of court, provided that no suit or case is instituted or defence entered in continuation of such examination or of such services. Where such suit or case is instituted or defence entered the provisions in Rule 131 and sub rule (1) shall apply ; and

(ii) in each case in which the subject matter of claim does not admit of valuation.

**133. Permission to pay smaller fee :-**

Where an application is made under Rule 132 for sanctioning any fee, the Director may, instead of granting or, refusing his sanction permit the payment of such smaller fee as he may think fit.

**134. Savings :-**

Nothing in Rules 131 and 132 shall be deemed to restrict the amount payable, in special cases, but when the limits fixed in the said rules are proposed to be exceeded, the sanction of the Government shall be obtained.

**135. Payment of fees to pleaders :-**

The provisions of Rules 131 to 134 shall also apply in respect of payment of fees to Pleadors to obtain legal advice and assistance.

**136. Appointment of a Standing Counsel :-**

The market committee may, with the previous sanction of the Government, appoint a standing counsel for a period not exceeding one year at a time on a fixed retainer for giving legal advice and for rendering service out of court in connection with the legal affairs of



the market committee in civil and criminal matters. If the standing counsel is appointed to conduct cases in the Court, he shall be paid regulation fee or fees allowable by the Court.

**137. Persons not eligible to continue as Standing Counsel :-**

No person who has been appointed by the market committee as its standing counsel on a fixed remuneration shall be retained in its service after he has attained the age of sixty years or if he accepts employment elsewhere as a legal adviser against the market committee.

**138. Appeal against the decision of the Civil Court :-**

Whenever a market committee proposes to prefer an appeal against the decision of a civil court, the market committee shall

(i) where the Government are not a party or where they are a party and their interests are not adverse to those of the market committee, obtain the opinion of the Government Pleader of the district if the appeal is to the District Court or the Government Pleader, High Court, if the appeal is to the High Court ; and

(ii) where the Government are party and their interests are adverse to those of the market committee, obtain the opinion of any pleader other than the Government Pleader of the District, or the Government Pleader High Court, as to whether there are sufficient grounds for preferring the appeal and it shall not file the appeal unless so advised by the Government Pleader, or other Pleader, as the case may be.

**139. Payment of fees to the Government Pleader :-**

With the sanction of the Director, the market committee may pay fees to the Government Pleader or other pleader, as the case may be, upto Rs. 100 in each case for the opinion referred to in Rule 138 and may, in special case with the previous sanction of the Government, pay a higher fee. If the Government Pleader or other Pleader is entrusted with the filing and the conduct of the appeal in court, the total fee payable to him for the opinion and for the filing and conduct of the appeal shall not exceed Rs. 100 or the regulation fee whichever is higher except with the previous sanction of the Government.

**140. Suits for recovery of dues :-**

The market committee shall maintain a register in such form as may be specified by the Government either by general or special order wherein the suits instituted, costs incurred, suits disposed off in favour of or against the market committee and costs awarded by the courts shall be recorded. The undisposed cases at the close of the year or suits the cost of which have not been or have been only partially recovered shall be transferred to the register for the ensuing year. The register shall be written up as suits are instituted and charges paid with reference to payment vouchers. It shall be periodically reviewed by the Secretary to see that necessary action for recovering any dues is taken in time.

**141. Limits of expenditure on items of special nature :-**

(1) The market committee, with the sanction of the Government, may

(a) contribute a sum not exceeding rupees five hundred towards the opening ceremony of the market committee, constituted for the first time or of an institution under the control of the market committee ;

(b) defray any other extraordinary charges ; Provided that the extraordinary charges so incurred shall not exceed Rs.500 .

(2) A market committee may incur expenditure towards preparation of address to the Governor, or a Minister, of an amount not exceeding Rs. 100

Provided that no charges shall be incurred on entertaining any Minister or any other V.I.P. or on the purchase of any casket for the presentation of address to him.

**142. Works :-**

Invitation and disposal of tenders in respect of store and printing and for execution of works

(1) The instructions issued by the Government from time to time in regard to the invitation and disposal of tenders for the execution of work and in respect of stores and printing shall be followed.

(2) The market committee shall be the authority to invite and accept tenders for the works and in respect of stores and printing.

The market engineer shall be the authority to sanction estimates

Provided that the market committee may authorise its Secretary to invite and accept the tenders in specific cases.

### **143. Acquisition of lands and execution of works thereon :-**

(1) The land required for the market committees purposes shall not be acquired otherwise than under the Land Acquisition Act, 1894, unless the land is to be purchased at a rate negotiated by a Committee consisting of Revenue Divisional Officer or the Special Deputy Collector, if there is such a Special Deputy Collector for the land acquisition of the Market Yards, the Assistant Director of Marketing and the Chairman of the Agricultural Market Committee concerned, and the rate which has been so negotiated has been finalised with the prior approval of the Director of Marketing. In every case, where the consideration for the property is not less than Rs. 75 an encumbrance certificate shall be obtained from the registration office in respect of such property and examined by the legal adviser of the Market committee unless the nature of the transaction is such as will, by law, pass the property free of all encumbrances. No work shall be commenced on the land which has not been duly made over to the market committee. A register of immovable properties shall be maintained in such form as may be specified by the Government either by general or special order.

(2) Further, the acquisition, purchase and disposal of movable or immovable property shall be in a manner specified from time to time by Government.

### **144. Register of estimates and allotments :-**

All estimates and allotments shall be in such form as may be specified by the Government either by general or special order. When a revised estimate is sanctioned, the entry relating to the original estimate shall be neatly scored through in red ink and entries pertaining to the revised estimate made.

### **145. Deposits :-**

(1) The Deposits of a market committee shall be of the following kinds, namely:

- (a) wieghments deposits,
- (b) contractors deposits for the due fulfilment of contracts,
- (c) security deposits of market committee servants,
- (d) unclaimed dues,
- (e) election deposits,

(f) other miscellaneous items.

(2) The deposits shall be in cash or in such kind of securities as the Government may specify in this regard.

**146. Items not to be credited to deposit head of account :-**

(1) The following items shall not be credited to any deposit head of account:

(a) sums that can be clearly brought to account under any revenue head.

(b) pay, pension, leave salary or other allowances; and

(c) fines.

(2) No item shall be credited to any deposit head of account except under the written order of the Secretary.

**147. Register of deposits :-**

(1)

(i) A register of deposits should be maintained in such form as may be specified by the Government either by special or general order and separate pages should be allotted for each class of deposits.

(ii) A certificate to the effect that entries in the register are maintained upto date shall be recorded therein at the end of each quarter by the Secretary.

(2) A register of security deposits shall be maintained in such form as may be specified by the Government either by general or special order to show the amount of security required for each servant or officer and the amount furnished by each.

**148. Refund of deposit :-**

No deposit shall be refunded except under the written orders of the Secretary. The orders for refund shall be made on a deposit refund voucher in the specified form after the Secretary has satisfied himself by a reference to the appropriate register of deposits that the deposit is actually outstanding and that the Accountant has certified to that effect.

**149. Refund of election deposits :-**

The election deposits received at the time of filing of nominations shall be refunded only under the order of the Election Authority.

**150. Credit of deposit to a revenue head of Account :-**

At the end of each year, any deposit or balance thereof shall be credited to a revenue head of account if it has remained unclaimed for a period of three years from the date on which it became repayable or, in case the deposit has been received in cash and the deposit or balance thereof does not exceed one rupee, if it has remained unclaimed for a period of one year from the date on which it became payable.

**151. Authority to sanction refund of deposit :-**

No deposit credited to a revenue head under Rule 150 shall be refunded except with the sanction of the market committee obtained on an application preferred by the person entitled to the refund.

**152. Register of investments :-**

The market committee shall maintain a register of investments in such form as may be specified by the Government showing the Government and other securities as well as any other investments held by it as its property.

**153. Writing off of security and other investments :-**

No security or other investments entered in the register shall be written off unless and until it has been disposed off by sale or otherwise.

**154. Verification of security and other investments :-**

The amount of every such security and other investments shall be verified annually

(a) by the Secretary as soon as practicable after the close of the year and a certificate of verification recorded in the register of investments; and

(b) by the auditors at the time of audit.

**155. Loans :-**

The market committee shall maintain, in such form as may be specified by the Government either by general or special order, the following accounts in respect of loans raised by it

- (i) an account showing the receipt from the loans, the repayments thereof and the payments of interest, if any, thereon;
- (ii) an account showing the manner of appropriation of the loans and
- (iii) a sinking fund account, where a sinking fund has been created for the liquidation of any non Government loan.

#### **156. Diversion of earmarked funds :-**

Where for a specific purpose, any loan has been raised any contribution has been received or any fund has been earmarked, such loan, contribution or fund shall not be diverted permanently or temporarily to any purpose other than that for which the same has been raised, received or earmarked, as the case may be, without the previous sanction of the Government.

#### **CHAPTER 11**

Service Rules for Secretaries of Market Committee

#### **157. Constitution :-**

(a) The Service of the Secretaries to the Market Committee shall consist of the following two classes, namely Class I and Class II.

(b) Class I shall consist of the posts of Secretaries of the following grades namely.

(i) Selection Grade Secretary to be appointed for a Market Committee with an annual income of thirty lakhs of rupees or above.

(ii) Special Grade Secretary to be appointed for a Market Committee with an annual income of fifteen lakhs of rupees or above but less than thirty lakhs of rupees.

(iii) the Selection Grade Secretary and special Grade Secretary shall be in the scales of Rs.2410-90-2950-100-4050 and Rs.1980-80-2780-90-3500

(c) Class II shall consist of the posts of Secretaries of the following grades namely;

(i) Secretary Grade I to be appointed for a Market Committee with annual income of ten lakhs of rupees or above but less than fifteen lakhs of rupees.

(ii) Secretary Grade II to be appointed for a Market Committee with annual income of five lakhs of rupees or above but less than ten lakhs of rupees and for assisting the Selection Grade Secretary.

(iii) Secretary Grade III to be appointed for a Market Committee

with an annual income of two lakhs of rupees or above but less than five lakhs of rupees and for assisting the Special Grade Secretary.

(iv) Assistant Secretary to be appointed for a Market Committee with an annual income of less than two lakhs of rupees and for assisting Secretary Grade I.

(v) The pay scales of the Secretary Grade I, Secretary Grade II, Secretary Grade III and Assistant Secretary shall be Rs.1810-70-2510-80-3230, Rs. 1550-70-2250-80-3050, Rs. 1330-60-1930 70-2630 and Rs. 1150-40-1510-50-2110 respectively.

Explanation In computing the income, the average annual income of the Market Committee for preceding three years shall be taken into account.

The holders of the above posts shall be eligible for revision of scales of pay and selection grade scales of pay at the scales fixed in the case of officers and servants of the Government holding corresponding posts of corresponding scale of pay and in accordance with the orders issued by the Government from time to time, in that behalf".

### **158. Method of appointment :-**

Appointment to the service shall be made as follows:

Class I (1) Selection Grade Secretary

(a) by promotion from among the Special Grade Secretaries with a minimum service of not less than three years ; or

(b) by deputation from among the Deputy Directors of Marketing.

(c) The appointment by promotion and deputation shall be in the ratio of 9:1

(2) Special Grade Secretary

(a) by promotion from among the Secretaries Grade I with a minimum service of not less than three years ; or

(b) by deputation from among the Assistant Directors of Marketing.

(c) The appointment by promotion and deputation shall be in the ratio of 9:1

Class II - (1) Secretary, Grade I:

(a) by promotion from among Secretaries Grade II with a minimum service of three years Grade II:or

(b) by deputation of Key Marketing Superintendents, Marketing Assistants with a minimum service of three years:

(2) Secretary Grade II

(a) by promotion from among the Secretaries, Grade III and office

Superintendents with a minimum service of two years in Grade III and or office Superintendents or by transfer of Senior Market Superintendent.

(3) Secretary Grade III.

(a) by direct recruitment through the Employment Exchange:or  
Provided that the temporary employees working in the Agricultural Market Committees shall be allowed to register their names in the Employment Exchange as "employed persons" by producing no objection certificates from the appointing authorities concerned and seek direct recruitment to this post in the same Agricultural Market Committee or any other Agricultural Market Committee within the Zone concerned. Their names shall be sponsored by the Employment Exchanges subject to the rules governing such sponsoring.

(b) by promotion from among the Assistant Secretaries and or the Accountants with a minimum service of three years as Assistant Secretary and or Accountants.

(c) by transfer from the category of Upper Division Clerks, Price Reporters, Grade II, Grading Supervisors (Pre revised scale of Rs. 125-200) of the Marketing Department and the employees of the Market Committees presently working as Assistant Secretaries in the pre revised scale of 180 375.

(4) Assistant Secretaries.

(a) by direct recruitment through the Employment Exchange;  
"Provided that the employees working in Agricultural Market Committees shall be allowed to register their names in the Employment Exchanges as "employed persons" by producing no objection certificate from the appointing authorities concerned and seek direct recruitment to this post in the same Agricultural Market Committee or any other Agricultural Market Committee within the Zone concerned. Their names shall be sponsored by the Employment Exchange subject to the rules governing such sponsoring." or

(b) by promotion from among the panel of Market Committee employees prepared for this purpose by the Director of Marketing from the Categories of Upper Division Clerks, Supervisors and other equivalent posts

Provided that there shall be no direct recruitment till the existing incumbents appointed prior to 1st January, 1965 in the categories mentioned in (b) above have been promoted to the post of Assistant Secretary from the panel already prepared;

(c) by transfer or deputation from the category of Assistant Market



Superintendents and Junior Market Superintendents.

**159. Unit for Appointments :-**

(a) For the purpose of recruitment by transfer or promotion from among the employees of the Agricultural Market Committees to Assistant Secretaries and for purpose of promotion from Assistant Secretaries and Accountants to Secretary Grade III and {Office Superintendents and for promotion of office Superintendents and Secretary, Grade-III to Secretary Grade-II the following Zones comprising of districts specified against them shall form separate and independent unit.

(b) The entire State shall form one unit in respect of appointment by promotion or deputation to the post of "Selection grade Secretary, Special Grade Secretary " and Secretary Grade I.

Provided that all appointments made earlier in the category of Secretary Grade-II shall be deemed to have been made in accordance with these rules.

**160. Appointing Authority :-**

The appointing authority shall be

(a) the Government in respect of the posts of Selection Grade Secretaries and Special Grade Secretaries.

(b) the Director in respect of other posts:

Provided that in respect of direct recruitment to the Category of Secretary, Grade III and Assistant Secretary, the Director of Marketing shall appoint persons selected by a selection committee consisting of Secretary to Government, Food and Agriculture and the Director of Marketing.

**161. Qualifications :-**

(1) No person shall be eligible for appointment to the post mentioned in column (1) of the Table below by the method specified in column (2) unless he possesses the qualifications specified in the corresponding entry in column (3) thereof:

(2) Nothing contained in this rule shall operate to the disadvantage, in so far as first promotion after the date of issue of these rules is concerned, of those already in service on the said date provided they hold such qualifications as were necessary under the rules in existence before the coming into force of these

rules.

### **162. Probation :-**

Every person appointed to the service shall, from the date of his joining duty, be on probation for a total period of one year on duty within a continuous period of two years.

### **163. Suspension or termination or extension of probation :-**

(1) At any time before the expiry of the prescribed period of probation or the extended period of probation, as the case may be, the appointing authority may

(i) Suspend the probation of a probationer and discharge him from service for want of vacancy ; or

(ii) At its discretion, by order, either extend the period of probation of the probationer in case it has not been extended under Rule 165 or terminate the probation and discharge him from service after giving him a reasonable opportunity of showing cause against the action proposed to be taken in regard to him:

Provided that where a probationer has been given a reasonable opportunity of showing cause against the imposition on him of any of the penalties in Clauses (iv)(vi)(vii), of Rule 171 and at the conclusion of the disciplinary proceedings, a tentative conclusion is arrived at to terminate his probation, further opportunity of showing cause specially against termination of his probation need not be given to him.

Explanation An opportunity to show cause may be given after the appointing authority arrives at a provisional conclusion of the suitability or otherwise of the probationer for the full membership of the service, either by such authority by himself or by the Secretary authorised in this behalf.

(2) Any person who is discharged from the service under sub rule (1) shall, if he was appointed to the service by promotion from any post in the service or by transfer from another service, be reverted to such post or service.

### **164. Probationers suitability for full membership :-**

(1) At the end of the prescribed or extended period of probation, as the case may be, the appointing authority shall consider the

probationers suitability for full membership of the grade for which he was selected.

(2) If the appointing authority decides that a probationer is suitable for such membership, it shall, as soon as possible, issue an order declaring him to have satisfactorily completed his probation. On the issue of such order, the probationer shall be deemed to have satisfactorily completed his probation on the date of expiry of the prescribed or extended period of probation.

(3) If the appointing authority decides that the probationer is not suitable for such membership, it shall, unless the period of probation is extended under Rule 165, by order, discharge him from the service or revert him to original post.

Explanation (1) The decision of the appointing authority that the probationer is not suitable for full membership may be based also on his work and conduct till the date of the decision, inclusive of the period subsequent to the prescribed or extended period of probation.

Explanation (2) An opportunity to show cause may be given after the appointing authority arrives at a provisional conclusion on the suitability or otherwise of the probationer for full membership of the service, either by such authority itself or by a subordinate authority which is superior in rank to the probationer.

### **165. Extension of Probation :-**

At any time before the expiry of the prescribed period of probation or at the end of it, the appointing authority may extend the probation of a probationer to decide whether he is suitable for full membership or not. Such extended period of probation shall terminate at the latest whether probationer has, after the date of expiry of the period of probation prescribed for the category in which he is on probation, completed one year of duty in such category. In case where the probation of a probationer is extended, a condition shall, unless there are special reasons to the contrary, be attached to the order of extension of probation that the probationers increment shall be stopped until he is declared to have satisfactorily completed his probation. Such stoppage of increment shall not be treated as penalty but only as a condition of extension of probation and shall not have the effect of postponing future increments after he is declared to have satisfactorily completed his probation.

### **166. Increment :-**

A probationer in the service may be sanctioned the first increment and the next increment may be sanctioned only after he is declared to have satisfactorily completed his probation. The Assistant Director of Marketing concerned shall be the authority to sanction the annual increment.

**167. Seniority :-**

The seniority of a member of the service in each grade or class shall be determined by the date of his first appointment to the grade or class. When the date of appointment to the grade or class is the same for two or more members, their seniority inter se shall be according to their seniority in the immediately lower category from which they are promoted and if they are promoted from different categories, it shall be determined by the appointing authority.

**168. Posting and Transfers :-**

(1) Secretaries, Grade I and II, shall be liable for transfer to any part of the State of Andhra Pradesh and posting and transfer shall be made by the Director.

(2) Secretaries, Grade III, and Assistant Secretaries shall be liable for transfer to any part of the Zone in which they are employed.

Provided that the Director may, for special reasons, transfer them to any part of the State on administrative grounds.

**169. Travelling and other allowances :-**

The travelling allowances and other allowances and conditions of their payment shall be the same as those for Government servants on the corresponding scales of pay except in cases where they are fixed differently by special order of the Government in particular cases for different market committees.

**170. Provident Funds :-**

The members of the service may subscribe to a provident fund under the provisions of the Provident Fund Rules.

**171. Penalties :-**

The following penalties may, for good and sufficient reasons, be

imposed on the members of the service, namely;

(i) censure.

(ii) withholding of increments or promotion,

(iii) reduction to a lower rank in the seniority list or to a post or time scale, or to a lower stage in a time scale,

(iv) recovery from pay of the whole or part of any pecuniary loss caused to the market committee or to Government by negligence or breach of orders

(v) removal from service.

(vi) dismissal from service.

Explanation The discharge of a person appointed on probation during or at the end of the period of probation does not amount to removal or dismissal within the meaning of this rule. The penalties referred to in items (i),(ii) and (iv) may be imposed by the Director, or by any officer not below the rank of an Assistant Director of Marketing as may be authorised by him in this behalf and those referred to in items (iii), (v) and (vi) shall be imposed by the Director or the Government, as the case may be, whoever is the appointing authority.

## **172. Reasonable opportunity :-**

(1)

(a) In every case where it is proposed to impose on a member of the service any of the penalties mentioned in items(iii), (v) and (vi) of Rule 171, the grounds on which it is proposed to take action shall, except where such action is proposed to be taken on the facts which have led to his conviction in a criminal court, be reduced to writing in the form of a definite charge or charges which shall be communicated to the person charged together with a statement of the allegations on which each charge is based and any other circumstance which is proposed to take into consideration in passing order on the case. He shall be required within a reasonable time to put in a written statement of his defence and state whether he desires an oral enquiry or only to be heard in person. At that enquiry oral evidence shall be heard on such of the allegations as are not admitted and the person charged shall be entitled to cross examine witnesses, to give evidence in person and to have such witnesses called as he may wish, provided that the officer conducting the enquiry may, for special and sufficient reasons to be recorded in writing, refuse to call a witness. After the enquiry has

been completed the person charged shall be entitled to put in, if he so desires, any further written statement of his defence. If no oral enquiry is held and he had desired to be heard in person, a personal hearing shall be given to him. The proceedings shall contain a sufficient record of the evidence and a statement of the findings and grounds thereof.

(b) After the enquiry referred to in clause (a) has been completed and after the appointing authority has arrived at a provisional conclusion in regard to the penalty to be imposed, the person charged shall be supplied with a copy of the report of the enquiring authority and shall be called upon to show cause, within a reasonable time not ordinarily exceeding one month, against the penalty proposed to be inflicted. Any representation in this behalf submitted by the person charged shall be duly taken into consideration before final orders are passed.

(2) In every case where it is proposed to impose on a member of the service any of the penalties mentioned in items (i),(ii) and (iv) of Rule 171, he shall be given a reasonable opportunity of making any representation that he may desire to make and such representation, if any, shall be taken into consideration before the order of imposing the penalty is passed.

(3) The requirements of sub rules (1) and (2) shall not apply when the person concerned has absconded or where it is for other reasons impracticable to communicate with him.

(4) The appointing authority may place under suspension any member of the service pending enquiry into grave charges where such suspension is necessary in public interest.

### **173. Appeals :-**

A member of the service shall be entitled to appeal to the Government against any order imposing punishment under Rule 172 and such appeal shall be preferred by him, within two months of receipt of the orders, through the Director giving all material particulars.

### **174. Service and confidential records :-**

(1)

(a) The Director shall maintain the service records of non gazetted Government servants, and employees, of Market Committees appointed as Secretary Grade I, Grade II, Grade III, Office

Superintendents, Assistant Secretaries and Accountants.

(b) The service records of gazetted employees of a Government service appointed as Secretaries Grade I of Market committees shall be maintained by the Accountant General, Hyderabad.

(2)

(a) The confidential reports of the Secretaries and Assistant Secretaries of market committees mentioned in clause (a) of sub rule (1) shall be written by the Chairman of the Market Committee concerned. The reports written by the Chairman of the Market Committee shall be countersigned by the Director who shall add his own observations and maintain them.

(b) The confidential reports of the Secretaries of market committees mentioned in clause (b) of Sub rule (1) shall be written by the Chairman of the market committee concerned. The reports written by the Chairman shall be countersigned by the Director who shall add his own observations and the reports maintained by the Government.

#### **175. Leave :-**

(1) The rules relating to casual leave applicable to Government servants and the Andhra Pradesh Leave Rules, 1933 applicable to Government servants shall, in so far as they are applicable, govern the members of the service.

(2) The Chairman shall be the authority competent to grant casual leave to the Secretary and the Director or any officer authorised by him in this behalf shall be the authority competent for the grant of other kinds of leave but shall consult the market committee in such cases. Whenever a short vacancy in the post of Secretary arises, the Director may direct any member of the staff of the market committee to hold additional charge of the post.

#### **176. Savings :-**

(1) The existing four categories of Market Superintendents in Telangana area will continue in the Department in the additional posts to be created in the Department of Marketing for showing their liens in the Department and shall work in the posts of market committees on deputation in the category noted against each: Key Market Superintendents On deputation as Grade II Secretary . Senior Market Superintendents On deputation as Grade III

Secretary. Junior Market Superintendents, Assistant Market Superintendents On deputation as Assistant Secretary.

(2) The resultant vacancies arising in the market committees in Zone III due to promotion of the existing market superintendents in different cadres shall be filled in only by promotion of lower category of market superintendent to higher category and there shall be no direct recruitment or recruitment by transfer from any other category to such vacancies.

(3) The following posts under the market committees (carrying the pay scale of Rs.180 375 and Rs.150 300, Rs.150 270, Rs.130 250, and Rs.125 220) are equated with the posts noted against each:

(4) Nothing in these rules shall adversely affect the rights and privileges acquired by any member of the service under the rules in force before coming into force of these rules.

## CHAPTER 12

### CHAPTER

#### **177. Constitution of service :-**

The service shall consist of the following category of employees with the scale of pay noted against each. All the holders of the above posts shall be granted dearness allowance and other compensatory allowance at the rate fixed on the basis of their salaries and scale of pay as in the case of officers and servants of the Government holding corresponding posts and in accordance with the orders issued by the Government, from time to time, in that behalf. All the holders of the above posts shall be eligible for revision of scale of pay and selection grade scales of pay at the scales fixed in the case of officers and servants of Government holding corresponding posts or corresponding scale of pay and in accordance with the orders issued by the Government, from time to time in that behalf. Type writing special pay shall be paid to the typist with higher grade qualifications at the rates fixed by the Government. The post of Accountant shall be a distinct category in Market Committee Secretaries Service, similar to that of Assistant Secretary in Market Committee Secretaries Service. The post of Accountant shall be assigned to the senior most eligible candidate in the common seniority list based on seniority and qualification under Rule 180 among the categories of Accountant U.D. Clerks and Supervisors who were appointed prior to the 10th December, 1975. The categories of posts created and existing now under the Andhra Pradesh (Andhra Area) Commercial



Crops Markets Act, 1933 and the Andhra Pradesh(Telangana Area) Agricultural Market Act, 1339 F, shall be equated with the suitable categories of posts as shown in the Table below:

**178. Appointment :-**

(1)

(a) Appointments to the service in different categories shall be made by direct recruitment or by promotion or by transfer from the eligible category within the Revenue District except Office Superintendents and Accountants for whom Zone shall be the unit. Provided that the candidates appointed by direct recruitment shall be sponsored by the Employment officer of the Local Employment Exchange on requisition by the Committee or by the Director of Marketing.

Provided further that the temporary employees working in the Agricultural Market Committees shall be allowed to register their names in the Employment Exchanges as "employed persons" by producing the no objection certificate from the concerned appointing authorities and seek direct recruitment to the higher posts in the same Market Committee or any other Market Committee within the revenue District for all the posts except the post of Accountant for which the Zone concerned shall be the Unit.

(b) The revenue District shall be the unit of appointment for all the categories of posts mentioned, in Rule 177.

(c) The Assistant Director of Marketing shall be the authority to prepare the seniority list for all the eligible categories under Rule 177, except the categories of Office Superintendents and Accountants. for appointment by promotion to the posts mentioned in Rule 177. He shall prepare the list in accordance with Rule 198. When any vacancy arises, the Chairman shall obtain the list from the Assistant Director of Marketing and appoint the senior most person.

(d) the Director of Marketing shall be the authority to prepare the seniority list of Office Superintendents and Accountants.

(2) Rule of special representation:- The rule of special representation specified in General Rule 22 of Andhra Pradesh State and Subordinate Service Rules shall apply in the case of all appointments to a service, class or category of posts in the Market Committee Service by direct recruitment except in so far as it relates to physically handicapped persons for the executive posts.

Explanation The executive posts include the posts of Supervisors, Bid clerks, Assistant Market Supervisors, Drivers, Watchmen, Engineering Supervisors, Overseers and Maistries.

(3) The rule of special representation in the Market Committee Service shall come into force with effect from 8th April, 1974.

**179. Appointment authority :-**

(1)

(a) the appointing authority for the posts of Office Superintendent, Accountant, Assistant Executive Engineer and Assistant Engineer shall be Director of Marketing;

(b) the appointing authority for the posts of Executive Engineer and Dy. Executive Engineer shall be the Government.

(2) The appointing authority for all other posts shall be the Chairman, Market Committee

Provided that in respect of Direct Recruitment to the categories of Accountant, Asst. Executive Engineer and Assistant Engineer, the Director of Marketing shall appoint persons selected by a selection committee consisting of Additional Director of Marketing and Superintending Engineer (Marketing) of the Directorate of Marketing in case of Assistant Executive Engineers/Assistant Engineers, and the Additional Director of Marketing and the concerned Regional Joint Director of Marketing for Accountants.

**180. Qualifications :-**

No person shall be eligible for appointments to the category specified in column (1) and by the method specified in column (2) of the Table below unless he possesses the qualifications specified in the corresponding entry in column (3) thereof.

**181. Probation :-**

(1) Every person appointed to a category shall from the date on which he joins duty be on probation for a total period of two years, if he is appointed by direct recruitment and for a total period of one year on duty within a continuous period of two years, if he is appointed by promotion or by transfer.

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(2) Lower Division Clerk, Typist, Computer, Bid Clerk, Assistant

Market Supervisor and Grader after having satisfactorily completed the period of probation shall be eligible for appointment by conversion from one post to another if he is qualified and suitable for such appointment.

**182. Suspension or termination or extension of probation :-**

(1) At any time before the expiry of the prescribed period of probation or the extended period of probation, as the case may be, the appointing authority may,

(i) suspend the probation of a probationer and discharge him from the service for want of a vacancy ;

(ii) at his discretion, by order, either extend the period of probation of the probationer in case the probation has not been extended under rule 184 or terminate the probation and discharge him from service after giving him a reasonable opportunity of showing cause against the proposed action

Provided that where a probationer has been given a reasonable opportunity of showing cause against the imposition on him of any of the penalties in clauses (iv), (vi) and (vii) of Rule 196 and at the conclusion of the disciplinary proceedings, a tentative conclusion is arrived at to terminate his probation, a further opportunity of showing cause specially against termination of his probation need not be given to him.

Explanation An opportunity to show cause may be given after the appointing authority arrives at a provisional conclusion on the suitability or otherwise of the probationer for the full membership of the service, either by such authority by himself or by the Secretary authorised in this behalf.

(2) Any person who is discharged from the service under sub rule (1) shall, if he is appointed by promotion from any post in the service or by transfer from any other service be reverted to such post or service.

**183. Probationer suitability for full membership :-**

(1) At the end of the prescribed period of probation or the extended period of probation, as the case may be, the appointing authority shall consider the probationer suitability for full membership of the service or category to which he was appointed.

(2) If the appointing authority decides that a probationer is suitable

for such membership, it shall, as soon as possible issue an order declaring the probationer to have satisfactorily completed his probation. On the issue of such order, the probationer shall be deemed to have satisfactorily completed his probation on the date of expiry of the prescribed or the extended period of probation.

(3) If the appointing authority decides that the probationer is not suitable for such membership it shall, unless the period of probation is extended under Rule 184 by order discharge him from the service or revert him to his original post after giving him a reasonable opportunity of showing cause against the action proposed to be taken against him

Provided that where a Probationer has been given a reasonable opportunity of showing cause against the imposition on him of any of the penalties and at the conclusion of the disciplinary proceedings, a tentative conclusion is arrived at to terminate his probation, a further opportunity of showing cause specially against termination of his probation need not be given to him.

Explanation : (1) The decision of the appointing authority that the probationer is not suitable for full membership may be based also on his work and conduct till the date of the decision, inclusive of the period subsequent to the prescribed or extended period of probation.

Explanation : (2) An opportunity to show cause may be given after the appointing authority arrives at a provisional conclusion on the suitability or otherwise of the probationer for full membership of the service, either by such authority himself or by the Secretary.

Explanation (3) Where the appointing authority proposes to terminate the probation of a member of the service for unsatisfactory work or incapacity without the need for enquiry into specific charges, he shall do so under Rule 182 or this rule, as the case may be. In cases where he proposes to terminate the probation of such member for specific charges, in addition to or distinct from general inefficiency or incapacity, he shall frame specific charges and follow the detailed procedure laid down in sub rule (2) of Rule 199.

#### **184. Extension of Probation :-**

In the case of any probationer falling under sub rule (2) of Rule 183 the appointing authority may extend his probation. Such extended period of probation shall terminate at the latest where the probationer has after the date of expiry of the period of

probation for the category, completed one year of duty in such category. In cases where the probation of a probationer is extended, a condition shall, unless there are special reasons to the contrary, be attached to the order of extension of probation that the probationer increment shall be stopped until he is declared to have satisfactorily completed his probation. Such stoppage of increment shall not be treated as a penalty but only a condition of extension of probation and shall not have the effect of postponing future increments after he is declared to have satisfactorily completed his probation.

**185. Appeal against discharge :-**

(1) A probationer who is discharged under clause (ii) of sub rule (1) of Rule 182 or under sub rule (3) of Rule 183 shall be entitled to appeal against the order of discharge passed by the competent authority to the authority to which and within, the period of limitation within which an appeal would lie against an order of dismissal passed by the competent authority against a full member of the service, class, or category, as the case may be.

(2) The authority competent to entertain an appeal under sub rule (1) may, either of its own accord or otherwise revise any order discharging a probationer under the provision referred to in the said sub rule. within one year of the date of such order.

(3)

(a) When an order discharging a probationer is set aside on appeal under sub rule (1) or on revision under sub rule (2) of this rule and the probationer is restored to the service, the period on and from the date of discharge to the date of such restoration may, with the previous sanction of the Director, be treated as on duty except for purposes of probation. The period of probation undergone by such probationer at the time of his discharge shall however, count towards the period of probation prescribed.

(b) Such probationer may, during the period on and from the date of his discharge to the date of his restoration be paid, such pay and allowances to which he would have been entitled if he had not been discharged as the authority passing the order under sub rule (1) or sub rule (2) may decide with the previous sanction of the Director.

**186. Discharge and re appointment of probationers and approved probationers :-**

(1) Probationers and approved probationers if they are discharged for want of vacancies shall take their turn in the following order; First, the probationers in the order of juniority, and then the approved probationers in the order of juniority.

(2) Approved probationers who have been discharged for want of vacancies shall be re appointed as and when vacancies arise in the order of their respective seniority, unless they have been absorbed in other market committees.

**187. Right of approved probationers and probationers to re appointment :-**

A vacancy in any category of the service shall not be filled by the appointment of a person who has not commenced his probation therein when an approved probationer therein is available for such appointment.

**188. Appointment of full members :-**

An approved probationer shall be appointed to be a full member of the service in the category for which he was selected at the earliest possible opportunity in any substantive vacancy which may exist or arise in the permanent cadre of such category, and if such vacancy existed from a date prior to the issue of the order of appointment, he may be so appointed with retrospective effect from such date or as the case may be, from a subsequent date from which he was continuously on duty as a member of the service in such category or a higher category.

**189. Counting of service for probation :-**

(1) A probationer in any category of the service shall be eligible to count for probation his service, if any in a higher category of the service performed on regular appointment in accordance with these rules or in a temporary appointment under Rule 191 if he would have continued to be a probationer in the former category but for such regular or temporary appointment in the higher category of the service.

(2) A probationer in any category serving in one market committee who is appointed by transfer in the same category in another market committee shall be entitled to count towards his probation

in the later market committee any period in the former market committee, if during such period he would have held a post in the former market committee but for such appointment.

**190. Authority to transfer members of service :-**

The Director or any Officer authorised by him in this behalf shall be the authority competent to transfer a member of the service from one Market Committee to another within the Zone.

**191. . :-**

(Omitted by G.O.Ms.No.336.FandA.(Mkg II)dated 27-7-1981.)

**192. Promotions :-**

- (1) All promotions shall be made by the appointing authority.
- (2) Promotions shall be in accordance with seniority unless the promotion of a member has been withheld as penalty under these rules.

**193. Seniority :-**

(1) The seniority of a member of the service in a category shall unless he has been reduced to a lower rank as a punishment, be determined by the date of his first appointment to the category. If any portion of the service of such person does not count towards probation under Rule 191 his seniority shall be determined by the date of commencement of his service which counts towards probation. For purpose of fixing up seniority of market committee employees in different categories, the zones specified under Rules 159 shall be the unit except in case of those who before the issue of these rules have served in different zones, in which case the total continuous service in the category shall be the criterion for determining the seniority.

(2) Subject to these rules the appointing authority, at the time of passing an order appointing two or more persons simultaneously to any category of the service, shall also fix the order of seniority among them.

(3) Where a member of any category is reduced to a lower category, he shall, in the absence of a special order to the contrary, take first rank among the members in the lower category.

#### **194. Application of rules :-**

( 1 ) The Fundamental Rules, the Andhra Pradesh Travelling Allowance Rules, the Andhra Pradesh Leave Rules, 1933 or the Leave Rules prescribed in the Hyderabad Civil Service Regulations {and the Andhra Pradesh Civil Services (Conduct) Rules, 1964 as the case may be for the time being in force shall so far as they may be applicable, govern the members of the service in regard to their pay, allowance leave, leave salary and their conduct.

#### **195. Authorities competent to sanction casual leave to Market Committee Employees :-**

The Secretary shall be the authority competent to sanction casual leave and earned leave where appointment of substitute is not involved. Where a substitute is to be appointed in leave vacancy, such leave of an employee shall be sanctioned by the Chairman.

#### **196. Saving :-**

Nothing contained in these rules shall adversely affect the rights and privileges acquired by any member of the service under the rules in force before coming into force of those rules.

#### **197. Penalties :-**

The following penalties, may, for good and sufficient reason and as hereinafter provided be imposed upon the members of service.

(i) Censure:

(ii) Fine in the case of persons holding posts under categories 11 to 13 of the service;

(iii) Withholding of increments or promotions:

(iv) reduction to a lower rank in the seniority list or to a lower post or time scale in the service whether in the same category or any other category, or to a lower stage in a time scale;

(v)

(a) recovery from pay of the whole or part of any pecuniary loss caused to the market committee by negligence or breach of orders;  
or

(b) recovery from pay to the extent necessary of the monetary value equivalent to the amount of increments ordered to be withheld where such an order cannot be given effect to;



- (vi) removal from the service;
- (vii) dismissal from the service;
- (viii) suspension, where a person has already been suspended under sub rule (5) of Rule 200 to the extent considered necessary by the authority imposing the penalty.

Explanation (1) The discharge of a probationer or an approved probationer of the service for want of vacancy does not amount to removal under clause (vi) or dismissal under clause (vii).

Explanation (2) The removal of a member from the service under clause (vi) shall not ordinarily disqualify him from future employment.

**198. Authority to impose penalties and appellate authorities :-**

(1) In respect of Office Superintendents and Accountants the penalties referred to in Nos.(i),(iii) and (v) under Rule may be imposed by the Director of Marketing or by any Officer not below the rank of Assistant Director of Marketing as may be authorised by him in this behalf and those referred to item Nos.(iv),(vi)(vii)and (viii) shall be imposed by the Director of Marketing. The Appellate Authority for Office Superintendent and Accountant shall be the Government.

(2) The authorities competent to impose the penalties specified in Rule or suspension pending enquiry into grave charges under sub rule (5) of Rule 200 on a member of the service and the appellate authorities shall be as shown in the following Table.

**199. Authority to impose penalties in case of persons promoted or transferred or reverted :-**

(1) Where, on promotion or transfer, a member of the service in any category is holding an appointment in another category no penalty shall be imposed upon him in respect of his work or conduct before such promotion or transfer except by an authority competent to impose the penalty upon the member of the service in the latter category.

(2)Where a person has been reverted from one category of the service, to another, no penalty shall be imposed upon him in respect of the work or conduct while he was a member of the category from which he was reverted except by an authority

competent to impose the penalty upon a member of such category.

(3) In case the service of a member of the service to be punished have been lent to another authority, the power to impose the penalty of removal or dismissal shall be only with the lending authority, the borrowing authority shall, in case where it considers that the punishment of removal or dismissal should be imposed, complete the enquiry and revert the person concerned to the service of the lending authority for such action as that authority may consider necessary and the borrowing authority shall consult the lending authority before imposing any lesser penalty and in the case of suspension shall report forthwith to the lending authority the circumstances leading to the imposition of that penalty.

**200. Procedure to be followed before imposing penalties :-**

(1) In every case where it is proposed to impose on a member of the service any of the penalties specified in clauses (i),(ii),(iii), and (v) of Rule 197, he shall be given a reasonable opportunity of making any representation, if any, which shall be taken into consideration before the order imposing the penalty is passed.

(2)

(a) In every case where it is proposed to impose on a member of the service any of the penalties mentioned in clauses (iv) ,(v) and (vii) of Rule 197, the grounds on which it is proposed to take action shall be reduced to the form of a definite charge or charges which shall be communicated to the persons charged together with a statement of the allegation on which each charge is based and of any other circumstances which it is proposed to take into consideration in passing orders on the case. He shall be required to put in a written statement of his defence and to state whether he desires an oral enquiry or only to be heard in person. An oral inquiry shall be held if such an inquiry is desired by the person charged or is directed by the authority conducting the inquiry. At that inquiry, oral evidence shall be heard as to such of the allegations as are not admitted and the persons charged shall be entitled to cross examine the witnesses, to give evidence in person and hence such witnesses called as he may wish provided that the officer conducting the inquiry may, for special and sufficient reasons to be recorded in writing, refuse to call a witness. After the inquiry has been completed, the person charged shall be entitled to put in, if he so desires any further written statement of his defence.

If no oral inquiry is held and if the person charged had desired to be heard in person, a personal hearing shall be given to him. The proceedings shall contain a sufficient record to the evidence and a statement of the findings and the grounds thereof.

(b) After the inquiry referred to in clause (a) has been completed and after the authority competent to impose the penalty mentioned in that clause has arrived at a provisional conclusion in regard to the penalty to be imposed, the person charged shall be supplied with a copy of the report of the inquiry authority and be called upon to show cause thereafter against the particular penalty proposed to be inflicted. Any representation in this behalf submitted by the person charged shall be duly taken into consideration before final orders are passed.

(3) The requirements of sub rules (1) and (2) shall not apply where it is proposed to impose on a member of the service any of the penalties mentioned in Rule 197, on the basis of facts which have led to his conviction in a criminal court or where the employee concerned has absconded or where it is for other reasons impracticable to communicate with him.

(4) All or any of the requirements of sub rules (1) and (2) need not in exceptional cases for special and sufficient reasons to be recorded in writing, be waived where there is difficulty in observing exactly the requirements of the said sub rules, and the requirements can be waived without injustice to the person charged.

(5) A member of the service may be placed under suspension from the service pending enquiry into charges against him in cases where such charges are grave and where such suspension is necessary in public interest.

## **201. Maintenance of record :-**

(1) The authority, imposing, any penalty under these rules shall maintain a record showing,

(i) the allegations upon which action was taken against the person punished ;

(ii) the charges, if any, framed ;

(iii) the personal representation, if any, and the evidence, if any, taken ; and

(iv) the findings and grounds thereof.

(2) All orders of punishment shall also state the grounds on which

they are based and shall be communicated in writing to the person against whom they are caused.

**202. Appeal :-**

A member of the service shall be entitled to appeal against an order imposing on him any of the penalties specified in Rule 197.

**203. Procedure to be followed by appellate authority in appeal :-**

(1) In the case of any appeal against an order imposing any penalty specified in Rule 197, the appellate authority shall consider  
(a) whether the facts on which the order was based have been established ;

(b) whether the facts established afford sufficient ground for taking action ;

(c) whether the penalty is excessive, adequate or inadequate ; and after such consideration shall pass such orders as it thinks fit.

(2) Any error or defect in the procedure followed in imposing a penalty may be disregarded if the appellate authority considers for reasons to be recorded in writing that the error or defect was not material and has neither caused injustice to the person concerned nor affected the decision in the case.

**204. Appeal to be separate and in one own name :-**

person preferring an appeal shall do so separately and in his own name.

**205. Conditions to be observed in appeal :-**

Every appeal preferred under these rules shall contain all material statements and arguments relied on by the appellant, shall contain no disrespectful or improper language and shall be complete in itself. Every such appeal shall be addressed to the authority to whom the appeal is preferred.

**CHAPTER 13**

**Provident Fund Rules**

**206. Constitution and management of the fund :-**

Every market committee shall establish, maintain and administer a

provident fund for the benefit of officers and servants of the market committee.

### **207. Subscription :-**

(1) Subscription to the provident fund shall be compulsory for all the permanent officers and servants (both superior and inferior) of the market committee, for such of the temporary officers and servants as are holding or as are, in the opinion of the market committee likely to hold, a temporary post in such service for not less than three years and who are required by the market committee to subscribe to the provident fund and for the probationers and approved probationers. But no such officer or servant shall be qualified to subscribe to the provident fund before he attains the age of twenty years.

Explanation Officers and servants of the market committee who are ;

(a) on probation in substantive vacancies ;  
(b) holding provisionally substantive appointments ;  
(c) officiating in posts which are permanently vacant ; or  
(d) officiating in posts, the permanent incumbents of which do not draw any part of the pay of the said posts or court service in the said posts for the purpose of the provident fund, may if permitted by the market committee, subscribe to the provident fund. The admission of any such officer or servant to the provident fund shall not take effect from a date prior to the date of permission accorded by the market committee to him to subscribe to the said fund.

(2) The market committee may admit the employees paid from contingencies to the provident fund or may arrange any other voluntary saving scheme for such employees subject to the condition that the option to choose between the provident fund and the savings scheme shall be left to such employees concerned.

### **208. Nominations :-**

(1) The Secretary shall as soon as may be, after a subscriber joins the fund, require him to make a nomination conferring the right to receive the amount that may stand to his credit in the fund in the event of his death, where the amount has become payable but before payment has been made.

(2) A subscriber who, at the time of joining the provident fund, has

a family shall send to the Secretary a nomination in Forms 15 and 16 in favour of one or more members of family.

(3) A subscriber, who has no family shall similarly nominate a person or persons in Forms 17 and 18.

Provided that a nomination made under this sub rule shall be deemed to have been duly made in accordance with these rules only for so long as the subscriber has no family.

(4) If a subscriber at any time acquires a family he shall send to the Secretary a nomination as provided in the sub rule (2) and if he has under sub rule (3), nominated another person other than a member of his family, he shall formally cancel the previous nomination.

(5) A subscriber may in his nomination distribute the amount that may stand to his credit in the provident fund amongst his nominees, at his own discretion.

(6) A nomination may be cancelled by a subscriber provided that it is replaced at the time by any other nomination which is permitted to be made under this rule.

(7) A nomination shall take effect to the extent it is valid on the date on which it is received by Secretary.

(8) On the death of nominee, a subscriber shall make a fresh nomination.

(9) Nothing in this rule shall be deemed to invalidate or to require the replacement by a nomination thereunder of a nomination made before these rules come into force, under the corresponding rule then in force.

## **209. Subscriber accounts and realisation of subscriptions :-**

The provident fund shall be formed out of and maintained by (1) subscriptions by subscribers ; (2) contributions from the market committee ; and (3) interest derived from investments or paid from the general market committee fund.

## **210. Payment of subscriptions :-**

(1) Every subscriber shall subscribe monthly to the provident fund when on duty and may, at his option subscribe during leave.

(2) The amount of subscription shall be fixed by the subscriber subject to the following conditions ;

(a) it shall be expressed in whole rupees ;

(b)

- (i) it may be any sum so expressed not less than 6 1/4 per cent, and not more than 15 3/8 per cent of his emoluments,
- (ii) emoluments for the purpose of this rule shall be calculated at the rate payable on the 1st of April of the current year

Provided that in the case of a new subscriber the rate of emoluments for the first month shall, until the commencement of the next financial year, be taken as his emoluments for the purpose of this rule ;

Provided further that if the subscriber happens to be on leave or under suspension on the last day of the previous financial year his emoluments shall be calculated at the rate payable in respect of the first day after his return to duty ;

- (iii) the subscriber shall intimate the fixation of the amount of his monthly subscription in each year in writing to the Secretary, sufficiently in advance of the commencement of the year. The amount of subscription so fixed shall remain unchanged throughout the year.

(3) Subscriptions due shall be deducted monthly from the bills and the deductions shall be adjusted to the credit of the provident fund accounts.

### **211. Investment of subscription in Life Assurance Policy :-**

(1) At the request in writing of any subscriber, the whole or any portion of his subscriptions with interest thereon may be invested by the Chairman in a policy of life assurance in such office for such amount and on such terms as may be mutually agreed upon in writing between such subscriber and the market committee.

(2) Such policy shall be effected in the name of the subscriber, who shall assign the same in favour of the Chairman. It shall be held and unless re assigned as provided for in proviso (c) or (d) of this rule or sub rule (3) shall be realised by the Chairman and the net proceeds on realisation shall be credited to the account of the subscriber Provided that

- (a) every such policy shall, so long as the subscriber is actually in employment under the market committee belong to the market committee and no interest thereon shall, during such period, vest in subscriber on whose life it has been effected, or in his nominee ; and neither he nor they shall have any right to interfere therewith ;
- (b) the market committee shall not be responsible for any loss or damage that may arise or result from effecting of any policy under

this rule ;

(c) on the retirement from service of a subscriber or on the termination of his service either by resignation, or as a measure of punishment the policy effected on his life shall be re assigned to him ; and

(d) on the death of a subscriber while in service, the policy effected on his life shall be re assigned to the nominee appointed by him under Rule 208 or to all the nominees appointed by him under that rule jointly, specifying the shares to which each of the nominee is entitled.

(3) If such a policy matures before the subscriber quits service, the market committee shall

(a) if the amount assured together with the amount of any bonus which have accrued is greater than the whole of the amount withdrawn from the fund in respect of the policy with interest thereon at the rate provided in Rule 216 re assign the policy to the subscriber and make it over to him, who shall immediately on receipt of the proceeds from the Insurance Corporation repay to the Provident Fund the whole of the amount withdrawn with interest, and, in case of default, the Chairman shall arrange to recover the amount by deduction from the emoluments of the subscriber by instalments or otherwise as the market committee may direct ; and

(b) if the amount assigned together with any accrued bonus is less than the whole of the amount withdrawn from the fund in respect of the policy, with interest thereon at the rate provided in Rule 216 realise under sub rule (2) the amount together with any accrued bonus and shall place the amount so realised to the credit of subscriber in the fund.

## **212. Investment of Provident Fund deductions and contribution from the Market Committee in Securities :-**

(1) The amount deducted from the pay bills as Provident Fund deductions and the contributions paid by the Market Committees and other sums relating to the Provident Fund shall be lodged in the Government Treasury and a separate cash book shall be maintained. The whole or any portion of such deductions, contributions and other sums relating to the Provident Fund may be withdrawn from the treasury at such intervals as may be necessary for investment in interest bearing securities or deposits.

(2) The sums required for the payment of temporary advances and



life assurance premia during a month may be withdrawn from the accounts lodged in the Government Treasury at the beginning of month, out of the deposits made therein till the end of the previous month, shall be remitted into the Post Offices Savings Bank not later than the fourth of that month.

### **212A. Transfer Of Provident Fund :-**

When an Officer or servant of one Agricultural Market Committee is transferred permanently to another Agricultural Market Committee, the former Agricultural Market Committee shall transfer the amount to his credit in the provident fund with interest accrued thereon till the date of actual transfer to the provident fund of the latter Agricultural Market Committee.

### **213. Form of securities on deposits :-**

(1) The investments shall be made as early as practicable in the form of securities or deposits specified below

( a ) Andhra Pradesh Government Securities and securities guaranteed by the Government of Andhra Pradesh as to payment of interest and payment of principal;

(b) non terminable loans of the Central Government ;

(c) fixed deposits for period upto three years in the Andhra Pradesh Co operative Apex Bank and the Central Cooperative Banks, approved by the Registrar of Co operative Societies of the Andhra Pradesh for the purpose ;

(d) State Bank of India and State Bank of Hyderabad, Savings Bank Deposits and Post Office Savings Bank Deposits (only in the case of Provident Fund Balances) likely to be required for early disbursement ; and

(e) National Savings Certificates.

Explanation Investments shall ordinarily be in item (a) except when there are special reasons for considering that it will be more advantageous to invest in one of the other items. An investment of the kind referred to in item (c) shall be made only if the amount exceeds Rs. 5,000.

(2) The investment of provident fund balances shall not be permissible as a loan to a market committee or for any purpose other than that for which such fund is constituted.

### **214. Ledger Account of the Subscriber :-**

The account opened in the name of each subscriber shall show

- (1) the amount of his subscriptions with interest thereon ;
- (2) its share of the contribution given by the market committee with interest ; and
- (3) the amount of all advances given to the subscriber.

**215. Contribution by the Market Committee :-**

- (1) The contribution from the market committee shall be 6-1/4 per cent of the emoluments drawn on duty and shall be credited to the account of the subscriber annually before the 31st March, or whenever an account is closed under Rule 219. Should a subscriber elect to subscribe during leave, his leave salary shall be deemed to be emoluments drawn on duty.
- (2) The amount of contribution payable shall be rounded upto the nearest rupee in the manner provided in Clause (v) of sub rule (2) of Rule 216.

**216. Interest :-**

- (1) The Market Committee shall pay to the credit of the account of a subscriber interest not less than Rs. 4.60 per cent and it may from time to time fix rate of interest on the basis of its earnings on the investments of the provident fund amount, made by it, subject to the above stipulation regarding minimum rate of interest ;  
Provided that this sub rule shall not apply to the members of the service appointed prior to 21-10-1969.
- (2) Interest shall be credited with effect from the 31st March of each year in the following manner:
  - (i) On the amount at the credit of a subscriber on the 31st March of the preceding year, less any sums withdrawn during the current year, interest for twelve months.
  - (ii) On sums withdrawn during the current year, interest from the 1st April of the current year upto the last date of the month preceding the month of withdrawal.
  - (iii) On all sums credited to the subscriber account after the 31st March of the preceding year, interest from the date of deposit upto 31st March of the current year.
  - (iv) If the total amount of interest contains a fraction of a rupee, it shall be rounded to the nearest whole rupee (fifty paise being rounded to the next higher rupee).
- (3) For the purpose of this rule., the date of deposit shall, in the

case of recoveries from emoluments be deemed to be the 1st day of the month in which they are recovered; and in the case of amounts forwarded by the subscriber shall be deemed to the first day of the month of receipt if they are received by the Chairman before the fifth day of that month or if they are received on or after the fifth day of that month the first day of the next succeeding month.

(4) In addition to any amount to be paid under Rule 213 interest thereon upto the end of the month preceding that in which payment is made, or upto the end of the month after the month in which such amount became payable, whichever of these period be less, shall be payable to the persons to whom such amount is to be paid.

(5) Interest shall not be credited to the account of a Muslim subscriber if he informs the Chairman that he does not wish to receive it, but if he subsequently asks for the interest, it shall be credited with effect from the 1st April, of the year in which he asks for it.

### **217. Advances :-**

The Chairman may at his discretion, grant temporary advances to subscriber from the amount standing to his credit in his provident fund account subject to the following conditions;

(a) The subscriber shall satisfy the Chairman that his pecuniary circumstances justify the grant of the advance and that it will be expended on the following object or objects and not otherwise;

(i) to pay expenses incurred in connection with the prolonged illness of the subscriber or any person actually dependent on him;

(ii) to meet the expenses on account of "confinement"

(1) in cases necessitating prolonged medical attention;

(2) prolonged stay in hospital or protracted treatment; and

(3) in other circumstances involving expenditure dis proportionate to the subscriber income.

(iii) to pay for the overseas passage for reasons of health or education of the subscriber or any person actually dependent on him; and

(iv) to pay obligatory expenses on scale appropriate to the subscribers status in connection with marriages, funerals, or ceremonies which by his religion it is incumbent on him to perform.

(b) The advances shall not, except for special reasons to be recorded in writing, exceed three months pay and shall in no case

exceed half the amount of subscription and interest thereon standing to the credit of the subscriber in the provident fund at the time when the advance is granted.

### **218. Recovery of Advance :-**

(1) An advance shall be recovered from the subscriber in such number of equal monthly instalments as the Chairman may direct; but such number shall not be less than 12 unless the subscriber so elects or in any case more than twenty four. A subscriber may at his option, make repayment in a smaller number of instalments than that specified. Each instalment shall be a number of whole rupees, the amount of advance being raised, or reduced, if necessary to admit of a fixation of such instalments.

(2) Recovery shall be made in the manner provided in sub rule (3) of Rule 210 for the realisation of subscription and shall commence on the first occasion after the advance is made on which the subscriber draws pay for a full month. Recovery shall not be made while the subscriber is on leave, or in receipt of a subsistence grant.

(3) If more than one advance has been made to a subscriber each advance shall be treated separately for the purpose of recovery.

(4)

(a) After the principal of the advance has been fully repaid, interest shall be paid thereon at the rate of one fifth per cent of the principal for each month or broken portion of a month during the period of drawal and complete repayment of the principal:

Provided that Muslim subscribers whose deposits in the provident fund carry no interest, shall not be required to pay into the said fund any additional instalments on account of interest on advances granted to them from the said fund.

(b) Interest shall ordinarily be recovered in one instalment in the month after complete repayment of the principal; but if the period referred to in Clause (a) exceeds 20 months, interest, may if the subscriber so desires, be recovered in two equal monthly instalments. The method of recovery shall be that provided in sub rule(2). Payment shall be rounded to the nearest whole rupee (fifty paise being rounded to the next higher rupee).

(5) Recoveries made under this rule shall be credited as they are made to the account of the subscriber in the provident fund.

### **219. Closing of accounts and payments :-**

The account of each subscriber shall be closed

(1) when he is dismissed from the services of the market committee or removed or called upon to resign on account of misconduct or inefficiency or resigns without notice or permission ;or

(2) when he retires from service or when his service are dispensed with owing to a reduction of establishment or some cause other than his own misconduct or inefficiency or when he becomes incapable of contributing to the provident fund by reason of his having been reduced to inferior service as defined in the Civil Service Regulations otherwise than for misconduct or by reason of his permanent transfer from qualifying to non qualifying service or when he is permitted to resign under any circumstances other than those in Clause (1), or

(3) when he dies;

Provided that a subscriber who has been dismissed from the service of the market committee and is subsequently reinstated in that service shall, if required to do so, by the market committee on the advice of the appellate authority repay any amount paid to him from the provident fund in pursuance of this rule with interest thereon at the rate provided in Rule 210 in cash or in securities or partly in cash and partly in securities by instalments or otherwise or by recovery from his emoluments as the market committee may direct. The amount so repaid shall be placed to his credit in his account in the provident fund the part which represents his subscription and interest thereon, and the part which represents the contribution paid by the market committee with interest thereon being accounted for in the manner provided in Rule 209.

Explanation Subscribers who are reduced to inferior service as defined in the Civil Service Regulations owing to their misconduct shall be regarded for the purposes of this rule as having been dismissed from the post carrying higher pay, and accordingly be dealt with under Clause (1) of this rule.

## **220. Withholding of payment of contribution amount :-**

When a subscriber account is closed either on the dismissal of the subscriber on any ground or on his resignation within five years of the commencement of his employment, the market committee may withhold the whole or any part of the amount standing to his credit in the contribution account and pay him only the balance together

with the amount deposited by him as subscription and interest thereon.

Provided that all payments under this rule, shall be subject to such recoveries as may be ordered by the Chairman under Rule 221.

Explanation(1) When the account of a subscriber is closed, the amount of his subscription with contribution and interest due upto the date on which his account is closed shall be paid to him by the Chairman after careful scrutiny subject to audit in the usual course along with the monthly accounts.

Explanation(2) Subscriptions and contributions payable under this rule, which are not claimed within six months shall be transferred to the head "Deposit" and dealt with under the rules, applicable to "Deposits" generally . In the case of a subscriber death, the six months period shall be calculated from the date on which a registered notice in Form 19 is sent to the person or persons specified in the nomination referred to in Rule 208.

Explanation (3) If the recoveries to be made from a subscriber under Rule 211 have not been ascertained on the date of closure of his account under this rule and delay in payment is caused thereby, interest shall be allowed to the subscriber until he is given intimation that the recoveries to be made from him have been ascertained and that he may receive payment of the amount due to him. No interest shall be payable after the date on which intimation is sent to the subscriber.

Explanation(4) When the whole or any part of the amount standing to a subscriber credit in the contribution account is withheld under this rule, the market committee shall be entitled to a refund of, or in proportion to, the sum contributed by it together with interest thereon.

## **221. Liability of subscriber :-**

(1) Subject to the condition that no deduction shall be made in excess of the total amount of any contribution made by the market committee and credited to the account of the subscriber and of any interest which has accrued on such contributions, the Chairman, shall, when the sum standing to the credit of any subscriber in the provident fund has become payable, deduct and pay to the market committee, the amount due under a liability incurred by the subscriber to the market committee.

(2) If the recoveries to be made from the account of a subscriber

under sub rule(1) above have not been ascertained on the date of closure of his account under Rule 219 and delay in payment is caused thereby, interest shall be allowed on the provident fund amount till intimation is given to the subscriber or his legal heir, as the case may be that the recoveries to be made from him have been ascertained and that he may receive payment of amount due to him. No interest shall be payable after the date on which intimation is sent to the subscriber or his legal heir.

**222. Amount payable to nominee :-**

(1) Subject to any deduction under Rule 221 on the death of a subscriber before quitting the service.

(i) when the subscriber leaves a family:

(a) if a nomination made by a subscriber in accordance with the provisions of Rule 208 in favour of a member or members of his family subsists, the amount standing to his credit in the fund or the part thereof to which the nomination relates shall become payable to his nominee or nominees in the proportions specified in the nomination; and

(b) if no such nomination in favour of a member or members of the family of the subscriber subsists or if such nomination relates only to a part of the amount standing to his credit in the provident fund, the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall, notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family becomes payable to the members of his family in equal shares:

Provided that no share shall be payable to:

(1) sons who have attained legal majority;

(2) sons of a deceased son who have attained legal majority;

(3) married daughters whose husbands are alive; and

(4) married daughters of a deceased son, whose husbands are alive if there is any member of the family other than those specified in clause (1) to (4);

Provided further that the widow and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber.

Explanation Any sum payable under these rules to a member of the family of a subscriber vests in such member under sub section (2)

of Section 3 of the Provident Funds, Act 1925.

(2) When the subscriber leaves no family, if a nomination made by him in accordance with the provisions of Rule 208 in favour of any person or persons subsists, the amount standing to his credit in the provident fund or part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.

(3) When a nominee is a dependent of the subscriber as defined in clause (c) of Section 2 of the Provident Funds Act, 1925, the amount vests in such nominee under sub section (2) of Section 3 of the said Act.

(4) When the subscriber leaves no family and no nomination made by him in accordance with the provisions of Rule 208 subsists or if such nomination relates only to part of the amount standing to his credit in the provident fund the relevant provisions of the clause (b) and of sub clause (ii) of clause (c) of sub section (1) of Section 4 of the Provident Funds Act, 1925, are applicable to the whole amount or the part thereof to which the nomination does not relate.

(5) Payment of provident fund money due to a minor beneficiary of a deceased subscriber may be made to the guardian nominated by the subscriber in the declaration made under the rules in force if such declaration continues to be valid under Rule 208. When the subscriber had not nominated, a guardian appointed by a court to receive payment on behalf of a beneficiary should alone be recognised even where the amount involved does not exceed the limit of Rs.5000 specified in clause (b) of sub section (1) of Section 4 of the Provident Funds Act, 1925. But if the party pleads inability to incur expenditure for obtaining the guardianship certificate from the Court, the order of the Government shall be obtained for making any payment. Payment may, however, be made without requiring the production of a guardianship certificate from the court if the share of a minor beneficiary does not exceed Rs.100:

(i) to the natural guardian of such minor beneficiary; or

(ii) in the absence of a natural guardian to a person considered fit by the Director to receive payment on behalf of such minor beneficiary on such person executing a bond in Form 20 signed by two sureties agreeing to indemnify the Director against any subsequent claim which might arise;

Provided that the natural guardian may, if it is considered expedient, be required to execute a bond signed by two sureties agreeing to indemnify the Director against any subsequent claim which might arise before the payment is made.



Provided further that in cases governed by Hindu Law, payment may be made without requiring the production of a guardianship certificate from the court to a Hindu widow of a deceased subscriber on behalf of her minor children other than step children, irrespective of the limit of Rs.100 specified above, she may if considered expedient, be required to execute a bond signed by two sureties agreeing to indemnify the Director against any subsequent claim which might arise before the payment is made.

**223. Difference due to under value of the securities to be paid for, from the current balance of the market committee funds :-**

The securities held on behalf of the provident fund shall be valued for the purpose of the account of the provident fund at their face value. When on closure of an account securities have actually to be sold for meeting the liabilities of the provident fund and when the price fetched at the sale is less than their face value, the difference shall be paid at once by the market committee from the Market Committee Fund to the credit of the provident fund.

Explanation Where owing to the depreciation of Government securities, they have been converted into other securities but for small face value, the difference between the latter and the face value of the original securities shall be made good at once from the general funds of the market committee and invested in the same manner as assets of the provident fund.

**224. Excess of interest on securities over what is payable to subscribers to be credited to the head "Miscellaneous" :-**

(a) All interests earned on the securities in a year over and above what is payable to subscribers together with the contribution forfeited under Rule 220 so far as the same is to be credited to the market committee, discounts on investment, if any, and other miscellaneous receipts shall be credited to the head "Miscellaneous".

(b) If in a particular year, the interest earned on securities is less than the amount payable to subscriber the difference together with premia on investments, if any shall be debited to this head.

(c) The balance available under this head shall lapse to the Director after reserving a sum equal to the probable amount of the debits referred to in sub rule (b) for the next three years.

(d) In case the difference referred to in sub rule (b) is not covered by the balance under this head the excess shall be adjusted to the provident fund from the Market Committee Fund.

**225. Account books regarding the provident fund :-**

As soon as possible after the close of each year every subscriber shall be furnished with a statement in Form 21 showing the amount at his credit inclusive of interest and contribution. Subscribers shall satisfy themselves as to the correctness of these statements and errors in them shall be brought to the notice of the Director within one month from the date of their receipt.

**226. Registers to be maintained :-**

(1) The Chairman shall maintain the following registers, namely:

- (a) a provident fund ledger in Form 22,
- (b) an abstract register in Form 23,
- (c) a cash book in Form 24,
- (d) a register of subscribers in Form 25,
- (e) a register of temporary advances and their recoveries in Form 26,
- (f) a register of Life Assurances policies in Form 27, and
- (g) a register of premia in Form 28

(2) The registers aforesaid shall be reviewed every year by the Director.

**227. Section 227 :-**

(Omitted by G.O.Ms.No.434, F and A dated 20-10-81)

**228. Application of provident fund rules to employees of the market committee of Telangana Region :-**

(1) The employees of the market committees of the Telangana area of the State having service of 10 years or less immediately before the application of these rules shall be brought under these rules and the pension contribution made by the aforesaid market committees in favour of the employees and accumulated by the Director shall be transferred as contributions in the provident fund under these rules in respect of such employees.

(2) The employees of the aforesaid market committees who are to

retire within 5 years from the commencement of these rules shall not be brought under the Provident Fund Rules and they will be entitled only for the accumulated pension contribution paid by the aforesaid market committees and continue to be paid by such market committees in respect of such employees at the rate of one seventh of their pay to their credit on the day of their retirement.

(3) Other employees of the aforesaid market committees not covered by sub rules (1) and (2) shall have choice to continue under the pension contribution system or opt out to the provident fund rules and in the latter case the accumulated pension contributions shall be treated as provided in sub rule (1).

#### CHAPTER 14

#### Miscellaneous

### **229. Relaxation of rules :-**

The Government may, by general or special order and for reasons to be recorded therein, relax any of the provisions of these rules.