

# The Punjab Rural Development Act, 1987

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### Act 6 of 1987

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The Punjab Rural Development Act, 1987 Punjab Act No. 6 of 1987 Received the assent of the Governor of Punjab on the 9th April, 1987, and was published in the Punjab Gazette, (Extra). Legislative Supplement, Part I, dated April, 10, 1987/Chaitra 20, 1909. An Act to provide for the establishment of the Punjab Rural Development Board with a view to accelerate rural development, augment agricultural production, improve facilities to the dealers and purchasers of agricultural produce and to provide for relief for loss of agricultural produce due to natural calamities.

### 1. Short title and commencement

(1) This Act may be called the Punjab Rural Development Act, 1987. (2) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

### 2. Definitions

- In this Act, unless there is anything repugnant to the context, -(a) "agricultural produce" means all produce, whether processed or not, of agriculture, horticulture, animal husbandry, or forest, as may be prescribed; (b) "Board" means the Punjab Rural Development Board established under section 3 of this Act; (c) "dealer" means any person who, within the notified market area, sets up, establishes or continues or allows to be continued any place for the purchase, sale, storage or processing of agricultural produce, or who purchases, sells, stores or processes such agricultural produce in the notified market area; (d) "Fund" means the Punjab Rural Development Fund constituted under section 6 of this Act; (e) "prescribed" means prescribed by rules made under this Act; (f) "processing" means giving treatment or a series of treatments to an agricultural produce in order to make it fit for use or consumption and includes manufacturing out of agricultural produce; (g) "regulations" means the regulations, made under this Act; (h) "rural area" means area other than the, -(i) local area included in a municipality under the Punjab Municipal Act, 1911; (ii) local area constituted to be a City under the Punjab Municipal Corporation Act, 1976; (iii) area declared as an urban estate under the Punjab Urban Estates (Development and Regulation) Act, 1964; and (iv) place declared to be a

cantonment under the Cantonments Act, and (i) words and expressions used but not defined in this Act shall have the meaning assigned to them in the Punjab Agricultural Produce Markets Act, 1961.

### **3. Establishment of Board, its constitution, powers and duties**

(1) The State Government may, by notification, for exercising powers conferred on and performing the functions and duties assigned to the Board by or under this Act, establish the Punjab Rural Development Board. (2) The Board established in terms of sub-section (1) shall consist of a Chairman and the following other members, namely :-(i) the Agriculture Minister, Punjab; (ii) the Revenue and Rehabilitation Minister, Punjab; (iii) the Rural Development and Panchayats Minister, Punjab; (iv) the Financial Commissioner Development, Punjab; (v) the Financial Commissioner Revenue, Punjab; (vi) the Secretary to Government of Punjab in the Department of Finance; and (vii) [four other persons nominated by the Chief Minister, Punjab from amongst the persons having sufficient experience in the rural and agriculture and other allied fields.] [Added vide Act No. 4 of 1994.] (3) The [Chief Minister] [Substituted by Act No. 4 of 1994.] Punjab, shall be the Chairman of the Board. (4) The Board constituted in terms of sub-section (2) shall be a body corporate having perpetual succession and a common seal with powers, subject to the provisions of this Act, to acquire and hold property and shall by the said name sue and be sued. (5) The State Government shall exercise superintendence and control over the Board and its employees, and may call for such information as it may deem necessary. (6) Subject to the rules made under this Act, the Board may frame regulations for transacting business at its meetings and for such other matters as may be prescribed. (7) Subject to the rules made under this Act, an estimate of annual income and expenditure of the Board for the ensuing year shall be prepared and passed by the Board and submitted every year for sanction of the State Government not later than the prescribed date : Provided that the State Government shall sanction and return the budget to the Board within a period not exceeding two months from the date of receipt thereof.

### **4. Officers and Employees of the Board**

(1) The Board may, with the prior approval of the State Government, create such posts and appoint such officers and other employees thereon as it may consider necessary for the efficient discharge of its functions. (2) The conditions of service of officers and other employees referred to in sub-section (1) and their functions and duties shall be such as may be regulated by the regulations made by the Board under this Act.

### **5. [ Levy and collection of fee [Substituted by Act 4 of 1994.]**

(1) Subject to the rules made under this Act, there shall be levied for the purpose of this Act, a fee on ad valorem basis, at the rate of [rupees three] for every one hundred rupees, in respect of the agricultural produce, bought or sold in the notified market area. (2) The fee levied under sub-section (1) shall be paid by the dealer in such manner as may be prescribed and shall be realised by a market committee established under the Punjab Agricultural Produce Markets Act, 1961 (Punjab Act 23 of 1961) : Provided that the burden of the fee shall be passed on by the dealer by adding it to the purchase price recoverable by him from the next purchaser of the agricultural produce or the goods

processed or manufactured out of it. [(2-A) If any dealer fails to pay the amount of the fee levied under sub-section (1), he shall, in addition to the amount of fee be liable to pay interest on the amount of fee due from him at the rate of eighteen per centum per annum from the date of default.] [Section 2-A Added by Act 4 of 1994.] (3) The arrears of fee levied under sub-section (1) shall be recoverable as arrears of land revenue.

### **5A. [ Power to borrow by the Board. [Added vide Punjab Act No. 3 of 1999.]**

- The Board may, with the prior approval of the State Government, raise loans from the banks or other financial institutions on such terms and conditions, as may be prescribed.]

## **6. Constitution of Fund**

(1) There shall be constituted a fund to be called the Punjab Rural Development Fund which shall vest in the Board. (2) The Fund constituted under sub-section (1) shall be administered by such officer or officers of the Board as may be appointed by it in this behalf. (3) The amount of fee [realised by a market committee established under the Punjab Agricultural Produce Markets Act, 1961 (Punjab Act 23 of 1961)] [Substituted by Act No. 4 of 1994.] under sub-section (2) of section 5 shall be credited to the Fund within such period as may be prescribed and the grants from the [State Government and local authorities and the loans raised by the Board under section 5-A] [Substituted By Punjab Act No. 3 of 1999.] shall also be credited to this Fund.

### **6A. [ Audit of Fund. [Inserted by Punjab Act No. 16 of 2016, dated 4.5.2016.]**

- Subject to the control of the Secretary to Government of Punjab, Department of Finance, who shall be the final audit authority, the accounts of the Fund shall be audited, as far as possible once in a year or half yearly, as the Government may direct, by or under the orders of the Examiner, Local Fund Accounts, Punjab.]

## **7. Purpose for which the Fund may be applied**

- The Fund shall be applied for the purposes hereunder specified :-(i) to promote better agriculture for higher production; (ii) to grant relief for loss and damage to agricultural produce due to natural calamities; (iii) for augmenting storage facilities for storing agricultural produce; (iv) for providing well equipped rest houses for dealers and purchases of agricultural produce; (v) to promote and accelerate comprehensive rural development including the construction of rural roads; (vi) establishment of medical and veterinary dispensaries in rural areas; (vii) for making arrangements for supply of drinking water and for improving sanitation in rural areas; (viii) for promoting welfare of agricultural labourers and rural artisans; and (ix) for carrying out such other purposes as may be considered necessary by the Board in the interest of and for the benefit of the persons paying the fee including the dealers.

## **8. Penalty**

- Any dealer who contravenes the provisions of this Act or the rules made thereunder shall be punishable with fine which may extend to five hundred rupees.

## **9. Protection of action taken in good faith**

- No suit, prosecution or other legal proceeding shall lie against the State Government or any officer of the State Government or Board in respect of anything which is in good faith done or intended to be done in pursuance of this Act, rules made or any order issued thereunder.

## **10. Power to make rules**

(1)The State Government may make rules for carrying out the purposes of this Act.(2)Without prejudice to the generality of the foregoing power, such rules may provide for, -(a)the preparation and submission for sanction of an estimate of annual income and expenditure;(b)period within which the amount is to be credited to the Fund under sub-section (3) of section 6; and(c)any other matter which has to be or may be prescribed.(3)Every rule made under this section shall be laid as soon as may be after it is made, before the House of the State Legislature while it is in session for a total period of ten days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the successive session aforesaid, the House agrees in making any modification in the rule or the House agrees that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

## **11. Power to make regulations**

(1)The Board may, from time to time, with the previous approval of the Government, make regulations not inconsistent with this Act and the rules made thereunder for the purposes of giving effect to the provisions of this Act.(2)In particular and without prejudice to the generality of the foregoing powers, such regulations may provide for -(a)transacting business at the meeting of the Board;(b)the conditions of service of the officers and other employees of the Board and their functions and duties.

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

- If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order, make such provisions, including any adaptation or modification of any provision of this Act as appears to the State Government to be necessary or expedient for the purpose of removing the difficulty :Provided that no such order shall be made after the expiry of two years from the date of commencement of this Act.