The Punjab Rural Development Act, 1987

Act 6 of 1987

Keyword(s):
Agricultural Produce, Dealer, Fund, Rural Area, Local Area

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THE PUNJAB RURAL DEVELOPMENT ACT, 1987

[Act No. 6 of 1987]

[April, 10, 1987]

PREAMBLE
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.

Section 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.

Section 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.

Section 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.

(3) The [Chief Minister] 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 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.

1. Inserted vide Act No. 4 of 1994.

Section 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.

Section 5 - Levy and collection of fee

(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 two 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 cent per annum from the date of default.

(3) The arrears of fee levied under sub-section (1) shall be recoverable as arrears of land revenue.


Section 5A - Power to borrow by the Board

[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.]
(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)]\textsuperscript{1} 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]\textsuperscript{2} shall also be credited to this Fund.

1. Substituted by Act No. 4 of 1994

**Section 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.

**Section 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.

**Section 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.

**Section 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.

**Section 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.

**Section 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.

Punjab State Acts
PART I
GOVERNMENT OF PUNJAB
DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS,
PUNJAB
NOTIFICATION
The 4th May, 2016
No. 19-Leg./2016.-The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 25th day of April, 2016, is hereby published for general information:-

THE PUNJAB RURAL DEVELOPMENT (AMENDMENT) ACT, 2016
(Punjab Act No. 16 of 2016)
AN ACT
further to amend the Punjab Rural Development Act, 1987.

Be it enacted by the Legislature of the State of Punjab in the Sixty-seventh Year of Republic of India as follows :-

1. (1) This Act may be called the Punjab Rural Development (Amendment) Act, 2016.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

2. In the Punjab Rural Development Act, 1987, after section 6, the following section shall be inserted, namely:-

"6-A. 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".

3. (1) The Punjab Rural Development (Amendment) Ordinance, 2016 (Punjab Ordinance No. 2 of 2016), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken
under the Ordinance referred to in sub-section (1), shall be deemed to have been done or taken under this Act.

VIVEK PURI,
Secretary to Government of Punjab,
Department of Legal and Legislative Affairs.
PART I
GOVERNMENT OF PUNJAB
DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS, PUNJAB
NOTIFICATION
The 18th October, 2016

No. 33-Leg./2016.- The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 17th Day of October, 2016, is hereby published for general information:-

THE PUNJAB RURAL DEVELOPMENT (SECOND AMENDMENT) ACT, 2016.
(Punjab Act No. 26 of 2016)
AN ACT
further to amend the Punjab Rural Development Act, 1987.

Be it enacted by the Legislature of the State of Punjab in the Sixty-seventh Year of the Republic of India as follows:-

1. (1) This Act may be called the Punjab Rural Development (Second Amendment) Act, 2016.
(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

2. In the Punjab Rural Development Act, 1987, after section 7, the following section shall be inserted, namely:-

“7-A. The State Government may direct the Board for the utilization of Fund, as it may deem fit, in the interest of the producers and for the benefit of the persons paying the fee, including the dealer.”.

VIVEK PURI,
Secretary to Government of Punjab,
Department of Legal and Legislative Affairs.
PART III
GOVERNMENT OF PUNJAB
DEPARTMENT OF TRANSPORT
(TRANSPORT-2 BRANCH)

NOTIFICATION

The 14th October, 2016

No.G.S.R. 70/C.A.59/1988/Ss.138, 212 and 215/2016.- The following draft of the rules, which the Governor of Punjab proposes to make in exercise of the powers conferred by section 138 read with section 215 of the Motor Vehicles Act, 1988 (Act No.59 of 1988), is hereby published as required by sub-section (1) of section 212 of the said Act for the information of persons likely to be affected thereby.

Notice is hereby given that the draft of the rules shall be taken into consideration by the Government on or after the expiry of a period of thirty days from the date of publication of this notification in the Official Gazette together with objections or suggestions, if any, which may be received by the Secretary to Government of Punjab, Department of Transport, Chandigarh, with respect to the draft of rules before the expiry of the period so specified.

DRAFT RULES

1. Short title and commencement. These rules may be called the Punjab Road Safety Fund Rules, 2016.

2. Definitions.- In these rules, unless the context otherwise requires,-
   (a) "Act" means the Motor Vehicles Act, 1988;
   (b) "Committee" means the Management Committee of the Punjab Road Safety Fund;
   (c) "Special Fee" means a fee to be levied on new registration of vehicles and issuing and renewal of fitness certificate of transport vehicles in addition to any other fees levied under the Act;
   (d) "Registering Authority" means the officer appointed under clause (37) of section 2 of the Act;
   (e) "Financial Year" means a period of twelve months commencing on the first day of April of a calendar year;
   (f) "Fund" means the Punjab Road Safety Fund;
   (g) "Scheme" means scheme implemented to achieve the objectives of the Fund and includes projects, programmes, works etc.;
(h) "State" means the State of Punjab; and

(i) "State Government" means the Government of Punjab in the Department of Transport.

3. Establishment of Fund and its Objectives.- (1) There shall be established a Fund by the State Government with the object of strengthening road safety and implementation of road safety measures in the State.

(2) The Fund shall be utilized to achieve the following objectives,-

(a) to make and implement schemes, projects and awareness programmes pertaining to road safety and related activities;

(b) to take necessary steps for safe plying of vehicles and secure movement of road users;

(c) to identify accident prone places and take corrective measures for the same;

(d) to impart knowledge of traffic rules and create awareness among the public;

(e) to provide equipments and vehicles for enforcement and controlling road accidents;

(f) to take steps for making driving licence system effective;

(g) to take steps for making the certification system of fitness of motor vehicles effective;

(h) to provide rescue and post-accident care;

(i) to conduct studies and research on road safety;

(j) to collect and analyze road accident data.

4. Accounting and Financial Procedure. - (1) A separate sub-head (special fee on account of registration of classification of new vehicles and issue/ renewal of fitness certificate under the Act) under Minor Head 101 (Receipts under the Act), Major Head 0041 (Taxes on Vehicles) shall be opened in which the amount collected by the Registering Authorities as "Special Fee" shall be deposited.

(2) The amount allocated in the Fund shall be shown under Demand No.-34 of Transport Department under the Head 2041-Taxes on Vehicles (Plan), Minor Head 102-Inspection of Motor Vehicles, sub-Head 98-Road Safety Awareness and Computerization of Regulatory Wing, Object Head 34-Other Charges;
(3) The expenditure on the objectives mentioned in Rule 3, shall be met out from the above said Head i.e. 2041-Taxes on Vehicles (Plan), Minor Head 102-Inspection of Motor Vehicles, sub-Head 98-Road Safety Awareness and Computerization of Regulatory Wing, Object Head 34-Other Charges(Road Safety).

(4) The funds shall be transferred to the concerned Head of the Department/DDO concerned as per the schemes sanctioned by the Committee. The executing department will spend the money as per rules and submit utilization certificate to the State Transport Commissioner.

5. Sources of Fund.-

(1) Special Fees on registration of four wheeled vehicles (non-transport) value up to rupees Twenty Lacs at the rate of rupees Three Hundred and above rupees Twenty Lacs at the rate of rupees Five Hundred, and issuing and renewal of fitness certificate for transport vehicles @ Rs. Three Hundred per vehicle shall be levied.

(2) Any financial contribution, grant, donation etc. by the State Government or the Government of India or any other agency.

6. Committee.-

(1) The administrative department for the Fund shall be the Department of Transport and the Fund shall be operated by the Committee consisting of the following:-

1. Chief Secretary to Government, Punjab Chairman ex-officio
2. Principal Secretary/ Secretary to Government of Punjab, Department of Transport Member ex-officio
3. Principal Secretary to Government of Punjab, Department of Public Works Member ex-officio
4. Principal Secretary to Government of Punjab, Department of Health Member ex-officio
5. Principal Secretary to Government of Punjab, Department of Home Affairs Member ex-officio
6. Principal Secretary to Government of Punjab, Department of Local Government Member ex-officio
7. Principal Secretary to Government of Punjab, Department of Housing and Urban Development Member ex-officio
8. Principal Secretary to Government of Punjab, Department of Finance

9. State Transport Commissioner

(2) The Committee shall meet at least once in every quarter.

(3) The quorum of the meeting of the Committee shall be of four members.

7. Powers of the Committee and other authorities.-

(1) The Committee shall be authorized to approve the schemes of any amount within the available funds.

(2) The Principal Secretary / Secretary to Government of Punjab, Department of Transport shall be authorized to approve schemes subject to a maximum limit of rupees ten lakhs for a scheme and the State Transport Commissioner shall be authorized to approve expenditure on salaries and establishment/office expenditure of Road Safety Cell established in the State Transport Commissioner’s office.

8. Rights and duties of the Committee.-

(1) The Committee shall select and approve the schemes to be financed from the Fund.

(2) The Committee shall review the physical and financial progress of the approved schemes.

(3) The Committee shall ensure maintenance of accounts of the Fund in accordance with these rules.

9. Utilization of the Fund.-

The following are the purposes for which the amount of Fund may be utilized, namely:-

(a) On the schemes the selection of which shall be made on such norms as may be determined from time to time by the Committee;

(b) On such schemes which may be completed in one go;

(c) For payment of the salaries and establishment/office expenditure of Road Safety Cell established in the State Transport Commissioner’s office;

(d) No amount from the Fund shall be invested under fixed deposit schemes or for giving loans for earning interest in any circumstances;

(e) The amount sanctioned from the Fund shall be utilized for the same purpose for which it has been approved.
10. Nature of Schemes which may be covered under the Fund:

(a) **Work related to road safety measures:**

(i) to install mandatory / regulatory, cautionary and informative road signboards, various traffic signals, etc. including their maintenance as per immediate local needs, in the interest of public safety and to reduce mortality in case of accidents, where it is not possible for other departments to install / maintain;

(ii) to set up "Road Accident Data Base Management System" for reporting and making analysis of road accidents and for controlling road accidents;

(iii) to reimburse expenditure incurred on the transportation of the injured persons in road accidents to hospitals;

(iv) to purchase and maintain ambulances, other accessories, salary of driver, para-medical staff and expenditure on fuel etc. of the ambulances, to provide immediate medical relief to persons injured in accidents;

(v) to take corrective/reformatory measures after studying the causes of road accidents and identifying accident prone places;

(vi) to purchase and maintain equipments for traffic management and road safety including cranes and weighing machines;

(vii) to set up driving training schools and driving test tracks for strengthening the driving license system;

(viii) to set up Certification Centres for checking fitness of vehicles and issue certificate of fitness;

(ix) to provide Mobile Testing Equipments for checking of vehicles;

(x) to set up check posts, parking areas for impounded vehicles and weighing bridges;

(x) to do any other work to strengthen road safety measures and traffic management which the Committee deems proper and useful.
(b) Work related to Traffic Education:—

(i) to establish in collaboration with other departments or otherwise the traffic education parks;

(ii) to make wide publicity of traffic rules in public;

(iii) to organize various competitions for imparting knowledge of traffic rules and awareness about road safety;

(iv) to prepare publicity materials related to traffic management and road safety;

(v) to purchase and maintain equipments related to traffic education;

(vi) to purchase publicity vans equipped with audio-video equipments, computers and other accessories and utilize them to impart traffic education to public at large;

(vii) to organize road safety exhibitions;

(viii) to organize seminars, workshops, meetings, rallies, competitions and other such programmes related to traffic education etc.;

(ix) to organize traffic related training for different ranks of Police, Transport and Local Bodies officers/staff;

(x) to conduct studies to improve Traffic Management for controlling road accidents.

(c) Work related to Enforcement:

(i) to purchase, operate and maintain modern traffic enforcement equipments;

(ii) to purchase and maintain the vehicles.

11. Procedure for submission of schemes to the Committee.—

(1) The State Transport Commissioner shall put up the schemes before the Committee after due examination which he received from transport, police, health, public works departments, District Road Safety Committees etc. or suo-moto prepared by him.

(2) Formal administrative and financial sanction shall be issued by the State Transport Commissioner for financing the schemes after approval thereof from the Committee.
12. Responsibilities for execution of schemes financed from the Fund.- (1) The State Transport Commissioner shall co-ordinate the work related to the successful execution of schemes.
(2) Heads of the Departments concerned shall be responsible for successful implementation of schemes and for regular monitoring of construction, maintenance and repairs of assets/equipments etc. financed from the Fund within the area of their respective jurisdiction. They shall supervise, monitor and review physical and financial progress of the schemes. The senior most district level officer of respective department shall also be responsible for issuing completion certificate of the scheme.
(3) Stores Purchase Rules and other Government instructions issued from time to time shall be complied with in the cases of purchases with respect to the approved schemes.

13. Maintenance of Fund and Audit.- (1) The Deputy Controller (Finance & Accounts) or such other finance officer in State Transport Commissioner's office as authorized by the Principal Secretary/Secretary, Transport, shall maintain accounts of the expenditure incurred from the Fund in accordance with the provisions of the Punjab Financial Rules, instructions and the Treasury Rules. Accounts will be reconciled with the records of the office of Accountant General (Accounts and Entitlements), Punjab. Before the closure of annual accounts, orders related to reconciliation adjustments will be made available to the Accountant General (Accounts and Entitlements), Punjab simultaneously.
(2) The unutilized money left in the Fund at the end of the financial year shall remain in the Fund. Such balance/unutilized amount in the Fund shall be utilized in the next financial year.
(3) The accounts shall be audited by the Accountant General (Audit), Punjab.
(4) Detailed report of receipts in, and the expenditure from, the Fund shall be submitted by State Transport Commissioner, Punjab to the State Government from time to time or as may be required.

DIPINDER SINGH,
Secretary to Government of Punjab,
Department of Transport.

1117/10-2016/Pb. Govt. Press, S.A.S. Nagar
PART I

GOVERNMENT OF PUNJAB

DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS, PUNJAB

NOTIFICATION

The 29th December, 2017

No. 34-Leg./2017.-The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 15th day of December, 2017, is hereby published for general information:-

THE PUNJAB RURAL DEVELOPMENT (AMENDMENT) ACT, 2017

(Punjab Act No. 24 of 2017)

AN ACT

further to amend the Punjab Rural Development Act, 1987.

BE it enacted by the Legislature of the State of Punjab in the Sixty-eighth Year of the Republic of India as follows:-

1. (1) This Act may be called the Punjab Rural Development (Amendment) Act, 2017.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

2. In the Punjab Rural Development Act, 1987 (hereinafter referred to as the principal Act), in section 5, in sub-section (1), for the words "rupees two", the words "rupees three" shall be substituted.

3. In the principal Act, in section 7, at the end of clause (x), the word "and" shall be omitted and thereafter, the following clause shall be inserted, namely:-

"(x-a) to provide relief to debt stressed farmers of the State; and ".

4. (1) The Punjab Rural Development (Amendment) Ordinance, 2017 (Punjab Ordinance No. 6 of 2017) and the Punjab Rural Development (Second Amendment) Ordinance, 2017 (Punjab Ordinance No. 8 of 2017) are hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the Ordinances referred to in
sub-section (1), shall be deemed to have been done or taken under the principal Act, as amended by this Act.

VIVEK PURI,
Secretary to Government of Punjab,
Department of Legal and Legislative Affairs.

1406/12-2017/Pb. Govt. Press, S.A.S. Nagar