

# THE AGRICULTURAL PRODUCE (GRADING AND MARKING) ACT, 1937

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## ARRANGEMENT OF SECTIONS

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### SECTIONS

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THE AGRICULTURAL PRODUCE (GRADING AND MARKING) ACT, 1937

ACT NO. 1 OF 1937<sup>1</sup>

[24th February, 1937.]

An Act to provide for the grading and marking of agricultural <sup>2</sup>[and other] produce.

WHEREAS it is expedient to provide for the grading and marking of agricultural <sup>2</sup>[and other] produce; It is hereby enacted as follows:

**1. Short title and extent.**—(1) This Act may be called the Agricultural Produce (Grading and Marking) Act, 1937.

<sup>3</sup>[(2) It extends to the whole of India <sup>4</sup>\*\*\*.]

**2. Explanations.**—In this Act, unless the contrary appears from the subject or context,—

(a) “agricultural produce” includes all produce of agriculture or horticulture and all articles of food or drink wholly or partly manufactured from any such produce, and fleeces and the skins of animals;

(b) “counterfeit” has the meaning assigned to that word by section 28 of the Indian Penal Code (45 of 1860);

(c) “covering” includes any vessel, box, crate, wrapper, tray or other container;

(d) “grade designation” means a designation prescribed as indicative of the quality of any scheduled article;

(e) “grade designation mark” means a mark prescribed as representing a particular grade designation;

(f) “quality”, in relation to any article, includes the state and condition of the article;

(g) “prescribed” means prescribed by rules made under this Act;

(h) “scheduled article” means an article included in the Schedule; <sup>5</sup>\*\*\*

(i) an article is said to be marked with a grade designation mark, if the article itself is marked with a grade designation mark or any covering containing or label attached to such article is so marked;

<sup>6</sup>[(j) an article is said to be migrated if,—

(i) the article is not of the quality prescribed for the grade designation with which it is marked;

(ii) the composition of the article offered for grading is altered in any way after a sample has been drawn for analysis and determination of the grade designation of the article in accordance with the rules made under this Act;

(iii) the article is tampered with in any manner; and

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1. The Act has been extended in its application to Dadra and Nagar Haveli by Reg. 6 of 1963, s. 2 and Sch. I (w.e.f. 1-7-1965), to Pondicherry by Reg. 7 of 1963, s. 3 and Sch. I (w.e.f. 1-10-1963) and to Goa, Daman and Diu by Notifn. No. G.S.R. 679, dated 1-5-1965, Gazette of India, Pt. II, Sec. 3 (i), p. 742.

2. Ins. by Act 13 of 1942, s. 2 (w.e.f. 24-2-1937).

3. Subs. by the A.O. 1948, for sub-section (2).

4. The words “except the State of Jammu and Kashmir” omitted by Act 25 of 1960, s. 2 (w.e.f. 27-8-1960).

5. The word “and” omitted by Act 76 of 1986, s. 2 (w.e.f. 15-4-1987).

6. Ins. by s. 2, *ibid.* (w.e.f. 15-4-1987).

(iv) any false claim is made for the quality prescribed for its grade designation, upon the label or through advertisement or in any other manner.]

**3. Prescription of grade designations.**—<sup>1</sup> [(1)] The Central Government may, after previous publication by notification in the Official Gazette, <sup>2</sup>[make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—]

(a) fixing grade designations to indicate the quality of any scheduled article;

(b) defining the quality indicated by every grade designation;

(c) specifying grade designation marks to represent particular grade designations;

(d) authorising a person or a body of persons, subject to any prescribed conditions, to mark with a grade designation mark any article in respect of which such mark has been prescribed or any covering containing or label attached to any such article;

(e) specifying the conditions referred to in clause (d) including in respect of any article conditions as to the manner of marking, the manner in which the article shall be packed, the type of covering to be used, and the quantity by weight, number or otherwise to be included in each covering;

(f) providing for the payment of any expenses incurred in connection with the manufacture or use of any implement necessary for the reproduction of a grade designation mark or with the manufacture or use of any covering or label marked with a grade designation mark <sup>3</sup>[or with measures for the control of the quality of articles marked with grade designation marks including testing of samples and inspection of such articles or with any publicity work carried out to promote the sale of any class of such articles;] <sup>4\*\*\*</sup>

(g) providing for the confiscation and disposal of produce marked otherwise than in accordance with the prescribed conditions with a grade designation mark;

<sup>5</sup>[(ga) holding inquiry and imposing penalty under sub-section (1) of section 5C;

(gb) preferring appeal under sub-section (1) of section 5D;]

<sup>6</sup>[(h) any other matter which is required to be, or may be, prescribed.]

<sup>7</sup><sup>8</sup>[(3)] Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree 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 under that rule.]

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1. Section 3 re-numbered as sub-section (1) thereof by Act 20 of 1983, s. 2 and the Schedule (w.e.f. 15-3-1984).

2. Subs. by Act 76 of 1986, s. 3, for “make rules—” (w.e.f. 15-4-1987).

3. Ins. by Act 20 of 1943, s. 2 (w.e.f. 13-8-1943).

4. The word “and” omitted by Act 76 of 1986, s. 3 (w.e.f. 15-4-1987).

5. Ins. by Act 18 of 2023, s. 2 and the Schedule (w.e.f. 31-7-2024).

6. Ins. by Act 76 of 1986, s. 3 (w.e.f. 15-4-1987).

7. Ins. by Act 20 of 1983, s. 2 and the Schedule (w.e.f. 15-3-1984).

8. Sub-section (2) re-numbered as sub-section (3) thereof by Act 76 of 1986, s. 3 (w.e.f. 15-4-1987).

<sup>1</sup>[**3A. Powers of entry, inspection and search.**—(1) Any officer of the Central Government or a State Government or any authority, being an officer of a gazetted rank or of equivalent rank, authorised by the Central Government may, if he has reason to believe that any provision of this Act or the rules made thereunder has been, or is being, contravened, enter any premises at any reasonable time and make necessary inspection of, and search for, the agricultural produce in relation to which such contravention has been, or is being, made.

(2) Every authorisation made under sub-section (1) shall be deemed to be a warrant referred to in section 93 of the Code of Criminal Procedure, 1973 (2 of 1974).

**3B. Powers of the authorised officer to seize agricultural produce.**—(1) An officer authorised under sub-section (1) of Section 3A may seize and detain any agricultural produce in relation to which an offence under this Act or the rules made thereunder is being, or appears to have been, committed, or which is intended or likely to be used in the commission of such offence:

Provided that where any agricultural produce seized under this sub-section is subject to speedy or natural decay, the officer so authorised may dispose of such produce in such manner as may be prescribed.

(2) The provisions of section 102 of the Code of Criminal Procedure, 1973 (2 of 1974) shall apply to every seizure made under this section.]

**4. Penalty for unauthorised marking with grade designation mark.**—Whoever marks any scheduled article with a grade designation mark, not being authorised to do so by rule made under section 3, shall be <sup>2</sup>[liable to penalty not exceeding five lakh rupees].

**5. Penalty for counterfeiting grade designation mark.**—Whoever counterfeits any grade designation mark or has in his possession any die, plate or other instrument for the purpose of counterfeiting a grade designation mark shall be <sup>3</sup>[liable to penalty not exceeding fifteen lakh rupees].

<sup>4</sup>[**5A. Penalty for selling migrated articles.**—Whoever sells any scheduled article which is migrated shall be <sup>5</sup>[liable to penalty not exceeding three lakh rupees].

**5B. Power to prescribe compulsory grade designations in respect of certain articles.**—(1) Where the Central Government is of opinion that it is necessary in the public interest or for the protection of consumers that any scheduled article or class of articles shall not be sold or distributed except after such article or class of articles is marked with the grade designation mark, it may, by notification in the Official Gazette, make a declaration to that effect.

(2) Any notification issued under sub-section (1) shall specify the area or areas in relation to which the notification shall have effect.

(3) Where a notification under sub-section (1) is issued in respect of any area or areas, no person shall sell or offer to sell or distribute or offer to distribute any scheduled article or class thereof in the area or areas except in accordance with the provisions of this Act or the rules made thereunder.

(4) Whoever contravenes the provisions of this section shall be <sup>6</sup>[liable to penalty not exceeding five lakh rupees].

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1. Ins. by Act 76 of 1986, s. 4 (w.e.f. 15-4-1987).

2. Subs. by Act 18 of 2023, s. 2 and the Schedule for certain words (w.e.f. 31-7-2024).

3. Subs. by s. 2 and the Schedule, *ibid.*, for certain words (31-7-2024).

4. Ins. by Act 76 of 1986, s. 7 (w.e.f. 15-4-1987).

5. Subs. by Act 18 of 2023, s. 2 and the Schedule for certain words (31-7-2024).

6. Subs. by s. 2 and the Schedule, *ibid.*, for certain words (w.e.f. 31-7-2024).

<sup>1</sup>[**5C. Adjudicating officer.**—(1) The Central Government may, for the purposes of determining the penalties under sections 4, 5, 5A and 5B, appoint an officer not below the rank of Deputy Secretary to the Government of India or an officer not below the rank of Deputy Secretary to the State Government, to be adjudicating officer to hold an inquiry and impose penalty, in the manner as may be prescribed:

Provided that the Central Government may appoint as many adjudicating officers as may be required.

(2) The adjudicating officer may summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document, which in the opinion of the adjudicating officer, may be useful for, or relevant to, the subject-matter of the inquiry and if, on such inquiry, he is satisfied that the person concerned has failed to comply with the provisions of sections 4, 5, 5A and 5B, he may impose penalty:

Provided that no such penalty shall be imposed without giving the person concerned a reasonable opportunity of being heard in the matter.

**5D. Appeal.**—(1) Whoever aggrieved by the order, passed by the adjudicating officer under Section 5C may prefer an appeal to the Agricultural Marketing Adviser, Government of India within thirty days from the date of receipt of order in such manner as may be prescribed.

(2) An appeal may be admitted after the expiry of the period of thirty days if the appellant satisfies the Agricultural Marketing Adviser that he had sufficient cause for not preferring the appeal within that period.

(3) The Agricultural Marketing Adviser may, after giving the parties to the appeal an opportunity of being heard, pass such order as he may think fit.

(4) The Agricultural Marketing Adviser referred to in sub-section (1) shall dispose of the appeal within sixty days from the date of filing.

**5E. Recovery.**—Notwithstanding anything contained in this Act, if penalty imposed by the adjudicating officer under Section 5C or order of the Agricultural Marketing Adviser under Section 5D, as the case may be, is not deposited, the amount shall be recovered as an arrear of land revenue.]

**6. Extension of application of Act.**—The Central Government, after such consultation as it thinks fit of the interests likely to be affected, may by notification in the Official Gazette declare that the provisions of this Act shall apply to an article of agricultural produce not included in the Schedule <sup>2</sup>[or to an article other than an article of agricultural produce] and on the publication of such notification such article shall be deemed to be included in the Schedule.

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1. Subs. by Act 18 of 2023, s. 2 and the Schedule for section 5C (w.e.f. 31-7-2024).

2. Ins. by Act 13 of 1942, s. 3 (w.e.f. 24-2-1937).

## THE SCHEDULE

(See section 2)

1. Fruit.
2. Vegetables.
3. Eggs.
4. Dairy produce.
5. Tobacco.
6. Coffee.
7. Hides and Skins.
8. Fruit products.
9. Atta.
10. Oilseeds.
11. Vegetable oils (including hydrogenated oils and vegetable fats).
12. Cotton.
13. Rice.
14. Lac.
15. Wheat
16. Sann Hemp.
17. Sugarcane gur (Jaggery).
18. Myrobalans.
19. Bura.
20. Wool and Goat Hair.
21. Bristles.
22. Rosin and Turpentine.
23. Arecanuts.
24. Essential Oil.
25. Cashewnut.
26. Cardamom.
27. Pepper.
28. Ginger.
29. Honey.
30. Curry Powder.
31. Kapok.

32. Raw Jute.
33. Paddy.
34. Millets.
35. Mesta.
36. Chillies.
37. Turmeric.
38. Tapioca Chips and Tapioca Flour
39. Sisal and Aloe Fibres.
40. Oil cakes.
41. Condiments and Spices.  
(Other than pepper, ginger, cashewnut, cardamom, chillies and turmeric, to which the provisions of the Act have already been applied.)
42. Pulses.
43. Walnut.
44. Animal casings (cattle, buffaloes, sheep, goats and pigs).
45. Guar Gum.
46. Karaya Gum.
47. Senna Leaves and Pods.
48. Palmyra fibre.
49. Catechu.
50. Tendu Leaves.
51. Water Chest-nut.
52. Mushrooms.
53. Poppy seed.
54. Cashew-shell Oil (Liquid).
55. Beeswax.
56. Gram (*Cicer arietinum*).
57. Jowar (*Sorghum vulgare*).
58. Maize (*Zea mays*).
59. Barley (*Hordeum vulgare*).
60. Ragi (*Eleusio coracana*).
61. Bajra (*Pennisetum typhoides*).
62. Sheekakai powder.
63. Compounded asafoetida.