

AS INTRODUCED IN THE RAJYA SABHA  
ON THE 7<sup>TH</sup> FEBRUARY, 2025

**Bill No. LXIX of 2024**

THE MAKHANA (FOX NUT) INDUSTRY  
(PROMOTION AND DEVELOPMENT) BILL, 2024

A

BILL

*to provide for the promotion and development of the Makhana (fox nut)  
industry, predominantly cultivated and produced in the State of Bihar,  
by constituting a Makhana Board, and mandatory declaration of  
Minimum Support Price of Makhana and for matters  
connected therewith or incidental thereto.*

BE it enacted by Parliament in the Seventy-fifth Year of the Republic  
of India as follows:—

CHAPTER I

PRELIMINARY

- 5      1. (1) This Act may be called the Makhana (Fox Nut) Industry  
(Promotion and Development) Act, 2024.
- (2) It shall come into force on such date as the Central Government  
may, by notification in the Official Gazette, appoint.

Short title and  
commencement.

2. In this Act, unless the context otherwise requires, —

(a) “advisories” means non-binding standards and guidance issued by the Board for promotion and development of the Makhana industry;

(b) “Board” means the Makhana Board established under section 3 of this Act; 5

(c) “Chairperson” means the Chairperson of the Board appointed under clause (a) of sub-section (4) of section 3 of this Act;

(d) “directions” means binding standards and guidance issued by the Board for promotion and development of the Makhana industry; 10

(e) “Fund” means the Makhana Promotion and Development Fund constituted under section 14;

(f) “grower” means the owner of a Makhana cultivation, and includes any agent of such owner, and mortgagee, lessee or any other person in actual possession of such Makhana cultivation; 15

(g) “makhana” means the seed of the aquatic Makhana plant, primarily cultivated in ponds, wetlands, and other water bodies and includes, —

(i) raw makhana – the unprocessed, natural seeds harvested from the plant; and 20

(ii) processed makhana – the puffed, edible form of Makhana obtained after processing through roasting or other techniques for human consumption or commercial use, including any by-products derived thereof. 25

**Explanation.**— “Makhana plant” means the aquatic plant *Euryale ferox*;

(h) “makhana industry” means the industry engaged in the production, manufacture, export, supply, trade and commerce of Makhana or its bye-products; 30

(i) “member” means a member of the Board appointed under sub-section (4) of section 3 of this Act;

(j) “Minimum Support Price” means the price announced by the Central Government, on the recommendation of the Commission for Agricultural Costs and Prices, for a particular agricultural commodity, to ensure that farmers receive a remunerative price for their produce; 35

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

(l) “small grower” means a grower the size of whose cultivation does not exceed two hectares; 40

(m) “specified” means specified by regulations made by the Board under this Act; and

(n) “worker” means any person who works in Makhana cultivation excluding the grower.

CHAPTER II  
THE MAKHANA BOARD

Establishment  
and constitution  
of the Makhana  
Board.

5        3. **(1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be constituted, for the purposes of this Act, a Board, to be called the Makhana Board.**

10        (2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall by the said name, sue and be sued.

15        (3) The head office of the Board shall be at such place as the Central Government may, by notification in the Official Gazette, specify and the Board may, with the previous approval of the Central Government, establish offices or agencies at other places in or outside India, as deemed necessary.

(4) The Board shall consist of the following members, namely: —

(a) **a Chairperson to be appointed by the Central Government in such manner as may be prescribed;**

20        (b) three Members of Parliament, of whom two shall be elected by the House of the People and one by the Council of States;

(c) three members to be appointed by the Central Government, in such manner as may be prescribed, to represent respectively the Ministries of the Central Government dealing with —

(i) Commerce;

25        (ii) Agriculture; and

(iii) Finance;

(d) **five members to represent major Makhana producing States, to be appointed by the Central Government, in such manner as may be prescribed:**

30        Provided that at least two Members shall be from the State of Bihar.

35        (e) **ten members to represent the growers, workers and exporters in the Makhana industry, to be appointed by the Central Government, in such manner as may be prescribed:**

Provided that every appointment under clauses (d) and (e) shall be made on the recommendation of the State Government or, as the case may be, of the Union territory concerned:

40        Provided further that four Members of this category shall be from the State of Bihar.

45        (f) five members, to represent such institutes or authorities having specialisation in research in the Makhana industry, agriculture, foreign trade, packaging and food safety, to be appointed by the Central Government in such manner as may be prescribed.

	(5) The qualifications for appointment of the Chairperson and other members of the Board and the manner of filling of vacancies of the members of the Board shall be such as may be prescribed.	
	(6) The Board shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Board under this Act.	5
Terms of office and conditions of service of the Chairperson and members.	<b>4. (1) The term of office of, salaries, remuneration or other allowances payable to, and the other conditions of service of, the Chairperson and other members of the Board shall be such as may be prescribed.</b>	10
	(2) The office of member of the Board shall not disqualify its holder for being chosen as or for being a Member of either House of Parliament.	
	(3) A member may resign his office by giving notice thereof in writing to the Central Government and on such resignation being accepted, he shall be deemed to have vacated his office.	15
Vacancies not to invalidate proceedings.	<b>5. No act or proceeding of the Board shall be invalid merely by reason of:</b>	
	(a) any vacancy in, or any defect in the constitution of, the Board;	
	(b) any defect in the appointment of a person as Chairperson or member of the Board; or	20
	(c) any irregularity in the procedure of the Board not affecting the merits of the case.	
Chairperson to preside over meetings.	<b>6. (1) The Chairperson shall preside over the meetings of the Board, and without prejudice to any provision of this Act, exercise and discharge such other powers and functions of the Board as may be prescribed.</b>	25
	(2) In the absence of the Chairperson in a meeting, the Board may elect any member who is present to preside over such meeting.	
	(3) The Chairperson shall, in addition to presiding over the meetings of the Board, exercise and discharge such other powers and duties, as may be delegated to him by the Board and/or as may be prescribed.	30
Committees, officers and staff of the Board.	<b>7. (1) The Commission may constitute such advisory or executive Committees and appoint such officers and staff as it deems necessary for the efficient discharge of its functions under this Act.</b>	
	<b>(2) The method of recruitment, the salary and allowances payable to and terms and conditions of service of the officers and staff, so appointed under sub-section (1), shall be such as may be prescribed.</b>	35
Members, officers and employees of the Board to be public servants.	<b>8. All members, officers and other employees of the Board shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of sub-section (2) of section 28 of the Bharatiya Nyaya Sanhita, 2023.</b>	40
		45 of 2023.

## CHAPTER III

### FUNCTIONS AND OBJECTIVES OF THE BOARD

9. (1) The Board shall be responsible for the promotion and development of the Makhana industry in the country.
- 5 (2) Without prejudice to the generality of sub-section (1), the Board shall —
- (a) take such steps as it deems necessary in order to achieve the objectives enlisted under section 11;
  - 10 (b) monitor the export, and price of Makhana and propagate data and other information regarding the demand for and marketability of Makhana in the country and in the foreign market;
  - (c) render scientific and technical advice aimed at improving the production, manufacture, supply and distribution of Makhana;
  - 15 (d) **undertake, assist and encourage scientific, technological and economic research in the area of Makhana production;**
  - (e) collect statistics from stakeholders in the Makhana industry;
  - (f) **plan and implement human resource training and skill development in line with the needs of Makhana industry;**
  - 20 (g) take steps either by itself or through accredited agencies to maintain quality standards for Makhana produced in the country;
  - (h) collaborate and cooperate with national scientific and economic bodies for the benefit of the Makhana industry;
  - 25 (i) collaborate and cooperate with Departments of the Central or State Governments on all matters relating to the promotion and development of Makhana industry;
  - (j) protect the intellectual property rights of indigenous varieties of Makhana in the country;
  - 30 (k) advise the Central Government on all matters relating to the promotion and development of the Makhana industry, including but not limited to the marketing within the country and export of Makhana;
  - (l) advise the Central Government on the declaration of Minimum Support Price for Makhana;
  - 35 (m) provide advisory services on matters including but not limited to research, testing and training in the field of Makhana cultivation and development to such other class of persons upon the payment of such fee or other charges as may be specified;
  - (n) formulate incentive schemes for the Makhana industry;
  - 40 (o) **provide financial assistance to growers and workers in Makhana industry, wherever required;**
  - (p) fix grades, specifications and standards for makhana and its products;
  - (q) **conduct seminars, workshops, research activities and other programmes for the development and promotion of Makhana**

Functions of the Board.

**industry in the country; and**

(r) such other measures as may, having regard to the purposes of this Act, be prescribed by the Central Government in the interest of Makhana industry.

Declaration  
of Minimum  
Support Price.

10. The Central Government shall, in consultation with the Board constituted under section 3, before the commencement of each financial year, by order published in the Official Gazette, fix the Minimum Support Price of raw makhana produced in the country. 5

Objectives of  
the Board

11. The Central Government and the Board, as the case may be, while exercising its powers, discharging its functions, or undertaking any other activity under this Act shall be guided by the following objectives for optimisation of the production, sale and consumption of Makhana, which may include, — 10

- (a) promoting the export of Makhana;
- (b) promoting the sale and trade of Makhana through e-commerce platforms; 15
- (c) improving the quality of Makhana cultivated in the country for consumption in the country and for export;
- (d) promoting branding, product diversification, value addition, packaging and furthering the interests of stakeholders involved in the Makhana industry; 20
- (e) promoting sustainable cultivation and increasing production and productivity of Makhana;
- (f) providing support and encouragement to small growers for using and implementing new technology in Makhana cultivation; 25
- (g) recommending fair and remunerative prices for Makhana growers;
- (h) safeguarding the interests of Makhana workers; and
- (i) increasing awareness amongst the general public about the Makhana industry in the country. 30

Registration.

12. (1) Every person engaged in the cultivation of Makhana in water bodies, whether such water bodies are comprised in one location or multiple locations and whether they are situated wholly or partly in India, shall, within one month from the date of commencement of this Act or from the date on which the water body is brought under Makhana cultivation, whichever is later, apply to the Board constituted under section 3, for registration as a cultivator in respect of each water body owned or utilized by them for Makhana cultivation, in such form and manner and on payment of such amount of fee for the purpose, as may be specified. 35 40

(2) The certificate of registration shall be issued or rejected by the Board after due verification in such manner and within such period as may be specified:

Provided that the certificate of registration shall be deemed to have been issued after the expiry of the period so specified, if no deficiency has been communicated to the applicant within that 45

period:

Provided also that the reasons for rejection of the application for registration shall be duly conveyed to the applicant in writing by the Board and the applicant shall be given an opportunity to be heard before taking a final decision in the matter.

(3) A registration once made shall remain in force until it is cancelled by the Board, either upon the application of the cultivator or for non-compliance with the provisions of this Act, or any other reason as deemed appropriate by the Board.

13. For the purposes of this Act, the Board may issue directions or advisories to stakeholders and such other persons in the Makhana industry or any class thereof, as it may deem fit:

Issuance of direction and advisories by the Board.

Provided that every direction issued shall be complied with by any person engaged in the Makhana industry to who such direction has been issued, failing which the Board shall disqualify the violator of the direction from the benefits under the Act.

#### CHAPTER IV

##### FINANCE, ACCOUNTS AND AUDIT

14. The Central Government may, after due appropriation made by Parliament by law, in this behalf, make to the Board, grants and loans of such sums of money as it may consider necessary for carrying out the purposes of this Act.

Grants and loans by the Central Government.

15. (1) The Board shall constitute a Fund to be called the Makhana Promotion and Development Fund and there shall be credited thereto: —

Makhana Promotion and Development Fund.

- (a) all sums transferred to or vested in the Board;
- (b) any grants and loans made to the Board by the Central Government under section 14;
- (c) all fees levied and collected in respect of certificates of registration issued under section 12 and any other fees or charges collected under this Act or the rules made there under; and
- (d) all sums received by the Board from such other sources as may be decided upon by the Central Government.

- (2) The Fund shall be applied to:—

- (a) meet the salary, pension, remuneration and other allowances of the members, officers, and staff of the Board as applicable;
- (b) meet the expenses relating to such measures as the Board may undertake under this Act from time to time in order to achieve the objectives enlisted in section 11, and in exercise of its general powers and functions under section 9;
- (c) meet the other administrative expenses of the Board and any other expenses authorised by or under this Act;

(d) repayment of any loans; and

(e) settle any liabilities arising out of legal proceedings.

Borrowing  
powers of the  
Board.

16. (1) The Board may, from time to time, with the previous sanction of the Central Government and under such conditions as may be prescribed, borrow any sum required for any of the purposes for which it is authorised to expend under this Act, from: — 5

(a) any bank or other financial institution by taking loan;  
or

(b) the public by issue or sale of bonds or debentures or any such instrument, carrying interest at such rates as may be specified therein, in the form and manner approved by the Central Government. 10

(2) The Central Government may guarantee the repayment of the monies borrowed by the Board under sub-section (1) and the payment of interest thereon and other incidental charges. 15

Budget and  
audit.

17. (1) The Board shall prepare in such form and manner, at such time of each financial year, and such intervals, as may be prescribed, its budget, showing the estimated receipts and expenditure and forward the same to the Central Government.

(2) The accounts of the Board shall be audited by the Controller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General. 20

Annual  
report.

18. (1) The Board shall prepare, in such form and manner and at such time of each financial year, as may be prescribed, its annual report, giving a full account of its activities during the previous financial year, and submit a copy thereof to the Central Government. 25

(2) The annual report prepared under sub-section (1) shall contain: —

(a) a description of all the activities of the Board for the previous year; 30

(b) the plan of the Board for the upcoming year; and

(c) any such other details as may be provided under any law for the time being in force.

(3) The Central Government shall cause the annual report under sub-section (1) along with the audited accounts of the Board to be laid, as soon as may be after they are received, before each House of Parliament. 35

## CHAPTER V

### MISCELLANEOUS

Protection of  
action taken  
in good faith.

19. No suit, prosecution or other legal proceedings shall lie against the Central Government, or the Board, or any officer, or any member of the Board, or any employee thereof, for anything which is done or intended to be done in good faith under this Act or the rules or regulations made, or standards notified thereunder. 40

Power to make  
rules.

20. The Central Government may, in consultation with the Board, by notification in the Official Gazette, make rules to carry out the provisions of this Act. 45

- 5       **21.** The Board may, with the approval of the Central Government, by notification in the Official Gazette, make regulations not inconsistent with the provisions of this Act and the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purposes of giving effect to the provisions of this Act.
- 10       **22.** Every rule and regulation made 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 regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation 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 or regulation.
- 15       **23.** (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty:
- 20       Provided that no such order shall be made under this section after the expiry of three years from the commencement of this Act.
- 25       (2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.
- 24.** The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

Power to make regulations.

Rules and regulation to be laid before Parliament.

Power to remove difficulties.

Act to have overriding effect.

## STATEMENT OF OBJECTS AND REASONS

Apart from India, Makhana (Fox Nut) is grown in Russia, Korea and Japan. In India, Makhana is cultivated and naturally grown in Bihar, West Bengal, Madhya Pradesh, Rajasthan, J&K, Tripura and Manipur. However, Makhana is native to Bihar and is being cultivated there for at least 1000 years. Bihar produces 10,000 tonnes of Makhana per annum, which is 90 per cent. of the production in the country. The Makhana industry is worth 3000 crore rupees. India contributes to 80 per cent. of the world's Makhana demand. Makhana is harvested in more than 15000 hectares in Bihar and around 5 lakhs families mostly from Mallah community are involved in the processing of Makhana. Nine districts in the Mithila region of Bihar are pre-dominant in the cultivation and production of Makhana, *i.e.*, Dharbanga, Madhubani, Purnia, Katihar, Saharasa, Supaul, Araria, Kishanganj and Sitamarhi.

It took four years of sustained campaigning by researchers, entrepreneurs and farmers to get the coveted GI tag for Mithila Makhana. The farmers of Mithila region cultivate GI tagged Makhana but are from very poor background. The international wholesale price of Makhana is 8000 rupees per Kg. However, it was only 1000 rupees per Kg. ten years ago and the current domestic price is around 1500 rupees per Kg. Makhana has a very high international and domestic demand, being a very good source of vegetarian protein containing five of the nine Amino Acids, particularly as a substitute for animal-based protein. Makhana is a superfood now, because of its nutritious properties.

Popping is a process wherein lotus seeds are roasted and the shell is removed to get Makhana. Makhana growers are facing a lot of difficulties particularly in popping work as it is being done manually. Some mechanical units are there but outside the State which involve a lot of investment and risk. The farmers do not have the wherewithal and logistics to stock or trade. The farmers are not wealthy but traders can bear the logistic costs and take huge margins. There is very little Government support to the Makhana growers who need financial assistance to survive. Further in view of the hardships faced by growers there has been a consistent demand for minimum support price for Makhana without which the sector would not survive. It is, therefore felt that like many commodities and other Boards, a Board for Makhana Development and Promotion may be constituted to holistically look after the Makhana industry. Further, there should also be a provision for Minimum Support Price to sustain the industry.

Hence this Bill.

A.D. SINGH

## FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for the constitution of the Makhana Board and for the appointment of the Chairperson and other members of the Board. Clause 4 *inter alia* provides for the term of office of, salaries, remuneration or other allowances payable to, and the other conditions of service of, the Chairperson and other members of the Board. Clause 7 provides for the constitution of advisory or executive committees, appointment of officers and staff of the Board, as it deems necessary and the salaries and allowances payable to such officers and staff. Clause 9 lays down the functions of the Board *inter alia* including assistance and encouragement to scientific, technological and economic research in the area of Makhana production; planning and implementing human resource training and skill development in line with the needs of the Makhana industry; providing financial assistance to growers and workers in the Makhana industry and conducting seminars, workshops, research activities and other programmes for the development and promotion of the Makhana industry. Clause 14 provides that the Central Government may make grants and loans of such sums of money to the Board, as it may consider necessary, to enable the Board to carry out the purposes of the Bill. Clause 15 provides for the constitution of a Fund called the Makhana Promotion and Development Fund, the credit of monies thereto and the purposes for which the Fund shall be utilised. Clause 16 empowers the Board to borrow money from certain institutions, for the repayment of which the Central Government shall be a guarantor.

The Bill, therefore, if enacted will involve expenditure from the Consolidated Fund of India. It is estimated that a recurring expenditure of about rupees one hundred crore per annum is likely to be involved from the Consolidated Fund of India. A non-recurring expenditure of about rupees twenty-five crore is also likely to be involved from the Consolidated Fund of India.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 20 and 21 of the Bill empowers the Central Government and the Makhana Board, with the approval of the Central Government, to make rules and regulations respectively, for carrying out the purposes of the Bill. Clause 23 empowers the Central Government to make such provisions through an order for removing any difficulty that might arise in giving effect to the provisions of the Bill.

As the matters in respect of which rules or regulations or orders may be made are matters of procedure and administrative detail and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.



RAJYA SABHA

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BILL

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*(Shri A.D. Singh, M.P.)*