

# **The M.P. Lok Dhan (Shodhya Rashiyon Ki Vasuli) Niyam, 1988**

MADHYA PRADESH

India

## **The M.P. Lok Dhan (Shodhya Rashiyon Ki Vasuli) Niyam, 1988**

### **Rule**

### **THE-M-P-LOK-DHAN-SHODHYA-RASHIYON-KI-VASULI-NIYAM-1988 of 1988**

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The M.P. Lok Dhan (Shodhya Rashiyon Ki Vasuli) Niyam, 1988Published vide Notification No. F. 12-2-88-IF-4, published in the M.P. Rajpatra Asadharan, dated 24-12-1988In exercise of the powers conferred by Section 6 of the Madhya Pradesh Lok Dhan (Shodhya Rashiyon Ki Vasuli) Adhiniyam, 1987 (No. 1 of 1988) the State Government hereby makes the following rules, namely :-

#### **1. Short title.**

- These rules may be called the Madhya Pradesh Lok Dhan (Shodhya Rashiyon Ki Vasuli) Niyam, 1988.

#### **2. Definitions.**

- In these rules, unless the context otherwise requires :-(a)"Act" means the Madhya Pradesh Lok Dhan (Shodhya Rashiyon Ki Vasuli) Adhiniyam, 1987 (No. 1 of 1988);(b)"Section" means a section of the Act;(c)"Authority" means Banking Company, Corporation or Government Company as defined in the Act;(d)"Recovery Certificate" means a certificate issued under sub-section (1) of Section 3 of the Act;(e)"Recovery Officer" means an official designated by the State Government or the Collector to recover the amounts mentioned in the Recovery Certificate in accordance with the provisions of sub-section (2) of Section 3 of the Act;(f)"Form" means a form appended to these rules.

### **3. Form of Certificate.**

- The Recovery Certificate to be sent under sub-section (1) of Section 3 shall be in Form I.

### **4. Manner in which cost of proceedings shall be shared between the State Government and the Authority.**

(a) The cost of proceedings, @3% of the principal amount recovered, referred to in clause (c) of Section 3 of the Act will first be deposited in the treasury under a new sub-head to be opened under the Major Head 0070-Other Administrative Services-Miscellaneous Receipts (Cost of Proceedings). (b) A separate fund will be created under the Public Account of the State called the "Bank Recoveries-Cost of Proceedings Fund". (c) Into this fund shall be paid every year, an amount equal to the sum of receipts realised as costs of proceedings during the previous year from the districts where special recovery units have been set up under separate arrangement with banks (hereinafter called the "sponsor banks") on a cost sharing basis. This expenditure shall be debitable to Major Head-2052 Secretariat General Services-091 Attached Offices-002 District Recovery Units. (d) Half the recurring expenditure on the special recovery units during the year will be debited to the "Bank Recoveries-Cost of Proceedings Fund". (e) Residual credit balances in the fund, if any, will be distributed pro-rata equally between the sponsor banks but amounts so paid to the banks will be limited to half the expenditure incurred on the special recovery units during the previous year. (f) Debit balances, if any, will be carried forward from year to year and adjusted against future accretions to the fund.

### **5. Procedure for issuing demand notices and warrants of attachment.**

(a) The Recovery Officer shall follow the same procedure for issue of process and conduct of distraint proceedings as laid down under the Madhya Pradesh Land Revenue Code, 1959 and rules made thereunder. (b) On receipt of a recovery certificate from the Authority, the Recovery officer shall proceed to register a case immediately and issue demand notice to the debtor in Form II in the manner prescribed in the Madhya Pradesh Land Revenue Code, 1959 and rules made thereunder, within a period of fifteen days. (c) If the debtor fails to deposit the amounts due within the period stipulated in the demand notice, the Recovery Officer shall issue notice to the Guarantor in Form III. (d) A copy of every demand notice or warrant of attachment issued by a Recovery Officer shall be endorsed to the Authority whose dues it purports to recover. (e) On receipt of a Demand notice or warrant of attachment, the person may deposit the amount due either with the authority from which he had taken the loan or the Recovery Officer.

### **6. Mode of calculation of amounts to be recovered.**

- Amounts due to the Authority by the person shall be reckoned with reference to the dates the sums are deposited by him with the Recovery Officer and not the date (s) the sums are actually received by the Authority.

## **7. Mode of application of amounts directly received by the Authority.**

(a) If after the issue of a recovery certificate by the Authority, any amount is received by it from any person on account of the amounts owed to it thereunder, the Authority will issue to the person a receipt in duplicate therefor, mentioning, inter alia, the name of depositor, father's name, address, Recovery case number and amount received (separately indicating the sums adjusted against process fee, cost of proceedings, principal and interest). The Authority shall, within 10 days from the receipt of the amount, deposit the process fees and cost of proceedings so recovered into the nearest treasury/sub-treasury by separate challans under the Major Heads 0029 and 0070 respectively. The Authority, after retaining copies for its own records, shall forward the original receipted copies of the challans to the Recovery Officer along with a monthly return in Form IV by the 10th of the following month. The Recovery Officer, on receipt of this return shall incorporate the recoveries indicated therein in his Recovery Register (Form VII). (b) A penalty upto Rs. 100 may be levied by the Recovery Officer for failure to submit the return/copies of paid challans within the stipulated period, after issuing due notice to the Authority and providing an opportunity to it to explain reasons for the default. Penalties so collected, if any, will be credited by the Recovery Officer in the nearest treasury/sub-treasury by challan under the Major Head 0029.

## **8. Mode of application of amounts recovered by the Recovery Officer.**

(a) Where an amount is received by Recovery Officer, he shall issue to the person a receipt therefor, mentioning the name of the person, father's name, address, recovery case number and amount received (separately indicating sums received against process fee, cost of proceedings, principal and interest) and immediately credit out of the amount received the amount of process fee and cost of proceedings by separate challans in the nearest treasury/sub-treasury under Major Heads 0029 and 0070 respectively, indicating therein all details of the case in which the amount has been recovered. (b) The remaining amount realized by the Recovery Officer shall be deposited within 3 days with the concerned Authority, or, on its behalf, into a separate bank account to be opened, with the prior approval of the Collector, in the name of the "Recovery Officer-bank dues recoveries" in one or more bank branches (hereinafter referred to as the Link Branches). The amount will be deposited together with Authority wise lists in triplicate in Form V The Link Branches, while retaining one copy for their record, shall forward one copy of the list together with the amounts so received to the concerned Authorities within 3 days. The third copy, duly acknowledged, shall be returned to the Recovery Officer for his record.

## **9. Procedure to be followed in respect of executed/unexecutable Recovery Certificates.**

(a) After the amounts specified in the recovery certificate have been recovered from the concerned person (s), the Recovery Officer shall advise the concerned Authority immediately of the same by giving him intimation in Form VI indicating also details of amounts recovered by him directly, and the amounts deposited by the person (s) with the Authority and reported to him in Form IV. (b) Where the Recovery Officer after execution of the recovery process has come to the conclusion

that the amounts mentioned in the Recovery Certificate filed by the concerned Authority cannot be recovered, in part or full, for any reason, he shall also intimate the same to the Authority in Form VI. The Authority shall, if he has knowledge of realizable assets with the person (s) guarantor(s), bring these to the attention of the Recovery Officer. In the event the Authority is unable to locate other assets or fails to respond within three months from receiving Form VI from the Recovery Officer, the Recovery Officer shall return the certificate to the concerned Authority with his comments.

## 10. Mode of maintaining records and accounting system in respect of Recovery Certificates.

- The Recovery Officer shall register Recovery Certificates received by him in the manner prescribed in the Land Revenue Code and rules made thereunder. Duplicate copies of each Recovery Certificate shall be returned by him duly acknowledged to the Authority. The Recovery Officer, after assigning case number to each Recovery Certificate in the manner prescribed for dealing with revenue cases under the Land Revenue Code and rules, shall enter the particulars in a "Recovery Register" to be maintained in Form VII. The Recovery Officer shall enter all amounts recovered by him directly or reported to him by the Authority in Form IV into the Recovery Register. A separate register will be maintained for each banking company/corporation functioning in the Tehsil. Daily collections made by the Recovery Officer/reported by the Authority, shall be posted in a register to be maintained by the Recovery officer in Form VIII. This register shall be reconciled with the recovery register on the last day of each month and a certificate recorded. The Recovery Officer shall submit a monthly report in Form IX by the twentieth of the month to the District Collector, who shall send a consolidated report in Form X for the District by the last day of the month to the Directorate of Institutional Finance. Form I (See Rule 3) Recovery Certificate No.....Dated.....The Collector/Recovery Officer, Tehsil.....District.....Madhya Pradesh. We had at the request of the following party (s) granted advance (s) as enumerated in para 4 under the..... programme (s) which is/are State sponsored/Socially Desirable Scheme (s) as notified by M.P Government Notification No. .... dated.....

Name of borrower	Father's/ Husband's name	Business address*	Residential address*
Village	Tehsil	Distt.	
(1)	(2)	(3)	(4) (5) (6)

(Note. - \*House No., Gali, Mohalla, etc. in Urban/SU areas.)

## 2. The following securities were charged by him/her/them in favour of the Bank in consideration of the loan\*.-

(i)(ii)(iii)\*[Note. - Give complete details i.e. Khasra No., area, village, Tehsil, district (Land) No. make, model, original cost, general description, supplier (Machinery)]

**3. \*We had initiated proceedings for the sale of the above mentioned goods hypothecated/pledged to us and a sum of Rs. .... (Rupees ..... only) has so far been received from the party relating to their account.**

OR While we are taking action for the sale of goods hypothecated/pledged with us, we request you to consider direct proceedings for recovery of the same dues, alongwith cost of proceedings and interest on the sum due at the rate specified up to the date of recovery, as arrears of land revenue. (Note. - \*To be included where loans have been sanctioned exclusively against hypothecation/pledge of goods and part default has been realised by Bank from sale of goods before filing Recovery Certificate.)

**4. The amounts outstanding \*(as detailed below) are now recoverable as arrears of land revenue :-**

Purpose	Amount sanctioned	Date of sanction	Amount due*	Contractual rate of interest
123456				
Total				

Note. - Including interest on date of filing Recovery Certificate.

**5. The following other assets are available with the borrower (s) but not charged to the Bank :-**

**6. \*The advance(s) is/are guaranteed by the following persons(s):-**

(i)(ii)(iii)(Note. - \*Full address of the guarantor (s) with their property details be given).

**7. The following are the legal heirs of the borrowers/Guarantors as shown against their names (give property details with address)\***

(i) (ii) (iii)\*(Note. - To be filled in when any one of the borrowers/guarantor is deceased.) We certify that the total interest (recovered and recoverable) goes not exceed the principal amount in the case of small and marginal farmers.....Signature Authorised Officer/Managing Director/local agent of the banking company.

Place.....(Centre)

Date.....(District)

Note. - (i) only one form to be used for each borrower. (ii) To be sent in duplicate. One copy to be returned to issuing authority with acknowledgement by the Recovery Officer. Form II [See sub-rule (b) of Rule 5] Notice of Demand Under Madhya Pradesh Lok Dhan (Shodhya Rashiyon Ki Vasuli) Niyam, 1988. In the Court of-To.....son of.....Resident..... Village..... Tehsil..... District..... You are hereby required to take notice that a sum of Rs..... is to be recovered from you

as arrears of Land Revenue as per details given in the sub-joined statement and that unless a receipt for the sum due together with 3% proceedings cost and Rs..... being process fee is produced after depositing the amount with the Authority who had sanctioned the loan on..... (date) for within ..... days of the receipt of this notice, or deposited in the Court by the aforesaid date coercive action according to law will be taken against you for recovery of the sums.

Name of the Authority	Amount of Arrears	Rate of interest	Cost of Proceeding	Process Fee	Total amount due	Date of service
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Seal .....

Dated..... Tahsildar

Copy forwarded to the Authority..... for information.....Tahsildar Form III[See sub-rule (c) of Rule 5]Notice of Demand[Under Madhya Pradesh Lok Dhan (Shodhya Rashiyon Ki Vasuli) Niyam, 1988]In the Court of.....To,Shri..... son of..... Resident of village..... Tehsil.....

District.....You are hereby required to take notice that you are the guarantor of a loan granted to Shri..... son of..... resident of village..... Tahsil..... District..... and a sum of Rs..... is to be recovered from him as arrears of land revenue as per details given in the sub-joined statement. He has failed to deposit the amount despite the notice issued by the Court. Now take notice that unless a receipt is produced by you after depositing the amount with the Authority who had sanctioned the loan, together with 3% proceeding cost and Rs..... process fee on..... (date) for within ..... days on the receipt of this notice), or deposited in the Court by the aforesaid date coercive action according to law will be taken against you for recovery of the sums.

Name of the Authority	Amount of Arrears	Rate of interest	Cost of Proceeding	Process Fee	Total amount due	Date of service
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Seal .....

Dated..... Tahsildar

Copy forwarded to the Authority..... for information.....Tahsildar Form IV[See sub-rule (a) of Rule 7]Monthly statement of amounts Deposited Directly at branches in respect of recovery certificate issued under Madhya Pradesh Lok Dhan (Shodhya Rashiyon Ki Vasuli) Adhiniyam, 1987Statement for..... 198To be sent to Recovery Officer by 10th of each month

S. No. Revenue case No. given by Recovery unit Details of defaulter

Name Father's Name

Resident of

(1) (2)

(3)

(4) (5)

Details of sums deposited by defaulter Out of amount deposited, amount adjusted towards

Scheme under which loan was

Amount Deposited

Date of Deposit

Amount indicated in recovery

Interest Process Fee and cost of proceedings

given			certificate		
(6)	(7)	(8)	(9)	(10)	(11)
Name of Treasury	Details of amount deposited in Treasury/Sub-Treasury				
Process Fee	Cost of proceedings				
No. and Date of Challan	Gross amount of Challan		No. and date of challan	Gross amount of challan	
(12)	(13)		(14)	(15)	(16)

Authority.....

Date..... Signature and Seal of Authority

Note. - Original receipted copies of Challans to be attached to Form V[See sub-rule (b) of Rule 8]Authority.....

S. No.	Revenue Cost No.	Person (s)	Address	Amount against dues shown in Recovery certificate	Amount against accrued interest	Total amount deposited
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Total

Note. -(i) Separate Form to be used for each Authority.(ii)To be submitted to link branch in triplicate one copy to be retained by link Branch, one to be forwarded by it to concerned authority with remittance and remaining copy to be returned duly acknowledged to Recovery

Officer.Date.....Recovery Officer.Tehsil.....District.....Form VI[See sub-rule (b) of Rule 9]ToThe Authority.....Be informed that in terms of para 9 of the Madhya Pradesh Lok Dhan (Shodhya Rashiyon Ki Vasuli) Niyam, 1988, that the following Recovery Certificate (s) issued by you, details of which are furnished below, have been executed/are not executable \*against the persons named therein for reason (s) indicated

Revenue Case No.	Date of Recovery	Certificate	Person (s)	Address	Amount shown in Recovery Certificate	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	

\*In terms of para 9 (a) of the Niyam, the case stands closed.or\*In terms of para 9 (b) of the Niyam, you are required to intimate the Court within a period of 3 months if you have any supplementary information to furnish, failing which the case shall be closed and the certificate returned to you in original.(Recovery Officer)\* Delete not applicable(Note. - Under "Remarks" indicate date of amounts recovered with appropriations towards principal, interest, cost of proceedings and process fee when the case is closed on commencement of the process. Specify reasons for inability to execute

Date of attachment warrant	Amount shown in Recovery Certificate	Cost of proceedings recovered with date	Process fee recovered with date	Amount recovered with dates	Remarks
Principal	Interest				
(8)	(9)	(10)	(11)	(12)	(13) (14)

Date	Authority	Authority	Authority	Authority	Authority	Authority	Day's Total	Yearly progressive Balance
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Form IX(See Rule 10)M.P. Lok Dhan (Shodhya Rashiyon Ki Vasuli) Adhiniyam, 1987-Recovery during the month of.....To be sent to Collector by the 20th of each month by Recovery Officer

Indian Kanoon - <http://indiankanoon.org/doc/33185067/>



		last month			
No.	Amount recoverable	No.	Amount recoverable	No. (2+4)	Amount(3+5)
(1)	(2)	(3)	(4)	(5)	(6) (7)
1.2.3.4.5.6.7.8.9.10.11.12.13.14.15.					
Up to end of previous month	During the month	Progressive total up to the end of Current month			
Cases disposed of	Amount recovered	Cases disposed of	Amount recovered	Cases disposed of (8+12)	Amount recovered (9 + 11)
(8)	(9)	(10)	(11)	(12)	(13)
Cases pending at the end of month under report		Out of amount recovered during month (Col. 11)			
No. (6-12)	Amount (7-13)		Process Fee	Cost of Proceedings	
(14)	(15)		(16)	(17)	

Note. - (1) For the return for April only, columns 2 & 3 should repeat the figures of columns 14 & 15 of the report for the previous month from May to March, figures under columns 6 & 7 of the previous report should be reported in columns 2 & 3.(2)The columns 8 & 9 of the report for April should show nil figures columns 8 & 9 of the reports from May to March should agree with columns 12 & 13 of the previous month's report.(3)Figures under columns 14 & 15 should be arrived at after deducting columns 12 & 13 from columns 6 & 7.(4)Under columns 3,5 & 7 the amount shown as recoverable in Recovery Certificates received from the concerned authorities should be indicated. Under columns 9, 11 & 13 consolidated totals of amounts recovered by the Recovery Officer and the amounts deposited with the authority by the person should be shown. Under remarks column the amounts deposited by persons with the authority and those recovered by the Recovery Officer should be separately indicated alongwith the sums be adjusted against principal and interest.Recovery OfficerDistrictForm X(See Rule 10)M.P. Lok Dhan (Shodhya Rashiyon Ki Vasuli) Adhiniyam, 1987-Recovery during the month of.....To be sent to Director of Institutional Finance by the end of each month by Collector

		Details of			
		Recovery Certificates received in the District up to the end of previous month	Recovery Certificates received during the month	Total Recovery Certificates received	
Particulars of Banking Co/Corp.					
No.	Amount recoverable	No.	Amount recoverable	No. (2+4)	Amount (3+5)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2.	3.	4.	5.	6.	7.
8.	9.	10.	11.	12.	13.	14.
15.						
Up to end of previous month	During the month	Progressive total up to the end of Current month				
Cases disposed of	Amount recovered	Cases disposed of	Amount recovered	Cases disposed of (8+10)	Amount recovered (9+11)	
(8)	(9)	(10)	(11)	(12)	(13)	
Cases pending at the end of month under report		Out of amount recovered during month (Col. 11)				
No. (6-12)		Amount (7-13)		Process Fee	Cost of Proceedings	
(14)	(15)			(16)	(17)	

Note. - (1) For the return for April only, columns 2 & 3 should repeat the figures of columns 14 & 15 of the report for the previous month from May to March, figures under columns 6 & 7 of the previous report should be reported in columns 2 & 3. (2) The columns 8 & 9 of the report for April should show nil figures, columns 8 & 9 of the reports from May to March should agree with columns 12 & 13 of the previous month's report. (3) Figures under columns 14 & 15 should be arrived at after deducting columns 12 & 13 from columns 6 & 7. (4) Under columns 3, 5 & 7 the amount shown as recoverable in Recovery Certificates received from the concerned authorities should be indicated. Under columns 9, 11 & 13 consolidated total of amounts recovered by the Recovery Officer and the amounts deposited with the authority by the person should be shown. Under remarks column the amounts deposited by persons with the authority and those recovered by the Recovery Officer should be separately indicated along with the sums to be adjusted against principal and interest.