

The U.P. Agricultural Credit Act, 1973

UTTAR PRADESH

India

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Act 19 of 1973

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The U.P. Agricultural Credit Act, 1973 U.P. Act No. 19 of 1973

016.

An Act to make provision to facilitate adequate flow of credit for agricultural production and development through banks and other institutional credit agencies and for matters connected therewith or incidental thereto. Received the assent of the President on October 17, 1973, Published in U.P. Gazette (Extra.), dated 22nd October, 1973, pp. 9-16. It is hereby enacted in the Twenty-fourth Year of the Republic of India as follows;

Chapter 1 Preliminary

1. Short title, extent and commencement.

(1) This Act may be called the Uttar Pradesh Agricultural Credit Act, 1973. (2) It extends to the whole of Uttar Pradesh. (3) It shall come into force on such [date] [Enforced from 1st January, 1974, Vide Notification No. I-F-300/(1)/X-1-1973, published in U.P. Gazette (Extra.), dated 31st December, 1973] as the State Government, may, by notification in the Gazette, appoint in this behalf.

2. Definitions.

- In this Act, unless the context otherwise requires - (a) ["agriculture" and "agricultural purpose" includes making land fit for cultivation, cultivation of land, improvement of land (including development of sources of irrigation), raising and harvesting of crops, horticulture, forestry, cattle breeding, animal husbandry, dairy farming, piggery, poultry farming, seed farming, pisciculture, apiculture, sericulture and such other activities as are generally carried on by persons engaged in

any of the aforementioned activities and also includes - [Substituted by U.P. Act 25 of 1979, Section 2 (w.e.f. 29-6- 1979)](i)marketing of agricultural products, their storage and transport;(ii)the acquisition of implements and machinery in connection with any such activity;(iii)the acquisition of gobar-gas plant; and(iv)the establishment and maintenance of agro-service centres .Explanation. - For the purposes of this clause, the expression "agro-service centre" means a place or a shop where the entrepreneurs, trained by the U.P. State Agro-Industrial Corporation Limited, carry on the sale of seeds, fertilizers, insecticides, pesticides, or other goods of agricultural use or agricultural operations in respect of land held by others by tractors or other mechanised process on hire or repair of the agricultural implements ;](b)"agriculturist" means a person who is engaged in agriculture ;(c)"bank" means-(i)a banking company as defined in the Banking Regulation Act 1949 (Act X of 1949);(ii)the State Bank of India constituted under the State Bank of India Act 1955 (Act XXIII of 1955);(iii)a subsidiary Bank; as defined in the State Bank of India (sub-sidiary Banks) Act, 1959 (Act XXXVII of 1959);(iv)a corresponding new bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Act V of 1970);(v)[a financing bank or Central Bank (as defined in the Uttar Pradesh Co-operative Societies Act, 1965) not being a land development bank] [Substituted by U.P. Act 19 of 1975, vide Section 2(ii) (w.e.f. 31st March, 1975)];(vi)The agricultural Refinance Corporation constituted under the Agricultural Refinance Corporation Act, 1963 (Act No. X of 1963);(vii)The U.P. State Agro-Industrial Corporation Limited a company incorporated under the Companies Act, 1956 (Act No. 1 of 1956);(viii)The Agricultural Finance Corporation Limited, a company incorporated under the Companies Act, 1956 (Act No. 1 of 1956); and[(viii-a) a regional rural bank established under sub-section (1) of Section 3 of the Regional Rural Banks Act, 1976] [Instituted by U.P. Act 25 of 1979, vide Section 2 (w.e.f. 29-6-1979)];(ix)any other financial institution notified by the State Government in the Gazette as a bank for the purpose of this Act;(d)Co-operative Society means a Co-operative society registered or deemed to be registered under the Uttar Pradesh Co-operative Societies Act, 1965 (U.K. Act No. XI of 1966), the object of which is to provide financial assistance to its members, and includes a co-operative land development bank;(e)"financial assistance" means assistance granted by way of loan, advance, guarantee or otherwise : (i) either to an agriculturist for agricultural purposes or, (ii) to a Co-operative Society for enabling it to grant loans and advances to its members for agricultural purposes ;(f)"law relating to land tenures means the Uttar Pradesh Zamindari Abolition and Reforms Act, 1950, the Uttar Pradesh Urban Areas and Land Reforms Act, 1956, the Jaunsar-Bawar Zamindari Abolition and Land Reforms Act, 1956, the Kumaun and Uttarakhand Zamindari Abolition and Land Reforms Act, 1960, the Uttar Pradesh Consolidation of Holdings Act, 1953 or the U.P. Imposition of Ceiling on Land Holdings Act, 1960, as amended from time to time ;(g)"prescribed" means prescribed by rules made under this Act.

Chapter II

Rights of Agriculturists to Alienate Land or Interest in Land in Favour of Banks

3. [[Substituted by U.P. Act 19 of 1975, vide Section 3 (w.e.f. 31-3-1975)]

The State Government may, by notification in the Gazette, vest, subject to such restrictions as may be specified in the notification, all bhumidhars, [* * *] asamis and Government lessees with rights of alienation in land held under their tenure or any interest in such land including the right to create a charge or mortgage on such land or interest in favour of banks generally or any specified class of banks for the purpose of obtaining financial assistance from such banks, and upon issue of such notification, such bhumidhar, [* * *] [The word "sirdars" omitted by U.P. Act 25 of 1979, vide Section 3 (w.e.f. 29-6-1979)] asamis and Government lessees shall, notwithstanding anything contained in any law for the time being in force or in any contract, grant or other instrument to the contrary, or any custom or tradition, have a right of alienation in accordance with the terms of the notification."]

4. Charge on crop and other movable property in favour of a bank.

(1) It shall be lawful for an agriculturist to create a charge on the movable property owned by him or in the crops raised by him, standing or otherwise, or other produce from land cultivated by him, to the extent of his interest therein in favour of a bank to secure financial assistance from that bank notwithstanding that he may not be owner of the land [on and from which such crop or produce is raised.] [Substituted by U.P. Act 19 of 1975, vide Section 4 (a) (w.e.f. 31-3-1975), for the words "on and from which the crop is raised"] (2) Notwithstanding anything to the contrary in [* * *] [The words and figure "Section 39 of", omitted by U.P. Act 19 of 1975, vide Section 4 (b) (w.e.f. 31-3-1975)] the Uttar Pradesh Co-operative Societies Act, 1965 (U.P. Act No. XI of 1966), or any other law for the time being in force, no charge in respect of any debt or other outstanding demand due to a co-operative society from an agriculturist shall have priority over a charge on the crop raised by him, standing or otherwise, or any other movable property in respect of any financial assistance given to him by a bank provided the financial assistance made by the bank is prior in point of time to the debt or demand of the co-operative society.

5.

[* * *] [Section 5 omitted by U.P. Act 19 of 1975, vide Section 5 (w.e.f. 31-3-1975)]

Section 5 omitted by U.P. Act 19 of 1975, vide Section 5 (w.e.f. 31-3-1975) Old Section 5 read as under: Distraint and sale of produce and movables.- Notwithstanding anything contained in any law for the time being in force, a bank may distrain and sell through an official of the State Government authorised in that behalf by the State Government by notification in the Gazette the crop or other produce or other movables charged in favour of the bank to the extent of the agriculturist interest therein, and after satisfying the Government dues or other prior charges, if any, appropriate the proceeds of such sale to the extent of the moneys due to it from the agriculturist and in such case the remainder if any shall be paid to the agriculturist.]

6. Creation of charge on land in favour of bank by declaration.

- [(1) An agriculturist desirous of securing financial assistance from any bank by creating a charge on land or any other immovable property which he owns or in which he has an interest, may make a declaration on a duly stamped paper in the form set out in the Schedule or as near thereto as circumstances permit, declaring that thereby he creates in favour of the bank a charge on such land or his interest therein or other immovable property as the case may be.] [Substituted by U.P. Act 19 of 1975, vide Section 6 (w.e.f. 31-3-1975)] (2) A declaration made under sub-section (1) may be varied from time to time by the agriculturist with the consent of bank in whose favour the declaration has been made.

6A. [Transfer of charge or mortgages to land allotted during consolidation operations. [Inserted by U.P. Act 19 of 1975, Section 7 (w.e.f. 31-3-1975)]

- Where any land held by an agriculturist is subject to a charge or mortgages created in favour of a bank by an agriculturist and the rights, title and interest of the agriculturist in the said land have ceased as a result of the enforcement of the final consolidation scheme under Chapter IV of U.P. Consolidation of Holdings Act, 1953, such charge or mortgage shall be transferred and attached to the corresponding land allotted to the agriculturist and to the compensation, if any payable under the said scheme.]

Chapter III

Charges and Mortgages in Favour of Banks and their Priorities.

7. Removal of disability in creation of charges and mortgages:

- [[Substituted by U.P. Act 19 of 1975, vide Section 8 (w.e.f. 31-3-1975), for the words and figures: "Notwithstanding anything to the contrary contained in Section 39 of the Uttar Pradesh Co-operative Societies Act, 1965 or Section 22 of the Uttar Pradesh Co-operative Land Development Bank Act, 1964."] Notwithstanding anything contained in the Uttar Pradesh Co-operative Societies Act, 1965 and Uttar Pradesh Co-operative Land Development Bank Act, 1964, or any other law for the time being in force and notwithstanding that any land or interests therein stands already charged or mortgaged to co-operative society, it shall be lawful for an agriculturist to create a charge or mortgage on such land or interest therein in favour of a bank as security for any financial assistance given to the agriculturist by that bank.

8. Priority of charges and mortgages in favour of Government, a bank and a co-operative society.

(1) Notwithstanding anything to the contrary in Section 39 of the Uttar Pradesh Co-operative Societies Act, 1965 or Section 18 of the Uttar Pradesh Co-operative Land Development Banks Act, 1964 or any other law for the time being in force - (a) any charge or mortgage created on any land or interest

therein in favour of Government shall have priority over any other charge or mortgage that may have been created on such land or interest by an agriculturist in favour of a bank or co-operative society prior to the date the charge or mortgage was created in favour of the Government;(b)any charge or mortgage created on any land or interest therein in favour of a bank in respect of financial assistance given to an agriculturist by' that bank shall have priority over any other charge or mortgage that may have been created on such land or interest in favour of any person other than Government, a co-operative society or any other bank prior to the date on which the charge or mortgage was created in favour of that bank;(c)where different charges or mortgages over the same land or interest therein have been created by an agriculturist in favour of a co-operative or a bank more than one bank any such charge or mortgage created as security for financial assistance given by the co-operative society or the bank or banks by way of term loan for development purposes shall have priority over the other charges or mortgages created in favour of the co-operative society or any of the banks provided prior notice of any such financial assistance by way of term loan for development purposes had been given to such co-operative society or bank and such co-operative society or bank had concurred in such financial assistance, and where more than one such charge or mortgage is created as security for financial assistance given by way of term loan, for development purposes shall rank for priority in accordance with the dates of their creation.Explanation. - For the purposes of this Section, "term loan for development purpose" means financial assistance which would generally lead to improvement of agriculture or building up of assets in agriculture but does not include financial assistance for meeting working capital expenses, seasonal agricultural operations and marketing of crops.(2)Nothing in this section shall apply to borrowings only from one or more cooperative societies, including land development banks or the State Land Development Bank as defined in the Uttar Pradesh Co-operative Land Development Banks Act, 1964 (U.P. No. XVI of 1964).

9. Registration of charge and mortgage in favour of banks.

(1)Notwithstanding anything contained in the Registration Act, 1908 (Act No. XVI of 1908), a charge in respect of which a declaration has been made under sub-section (1) of Section 6 or in respect of which a variation has been made under sub-section (2) of that section, or a mortgage of any land or interest therein or other immovable property executed by an agriculturist in favour of a bank in respect of financial assistance given by that bank, shall be deemed to have been duly registered in accordance with the provisions of that Act with effect from the date of execution of such charge, variation or mortgage, as the case may be, provided the bank has sent to the Sub-Registrar within the local limits of whose jurisdiction the whole or any part of the property charged or mortgaged is situate, within a period of one month from the date of such execution, by registered post acknowledgment due, a copy of the document creating such charge, variation or mortgage duly certified to be a true copy by an employee of the bank authorised to sign on its behalf and the Sub-Registrar has filed it in Book No. 1 prescribed under Section 51 of the Registration Act, 1908.["(2) The Sub-Registrar receiving a declaration in respect of charge, variation or mortgage referred to in sub-section (1) shall, as immediately as practicable on receipt thereof, and after ascertaining that the document containing the declaration, variation or mortgage, as the case may be, has been made on a duly stamped paper, file its copy in Book No. 1 prescribed under Section 51 of the Registration Act, 1908.(3)Where the Sub-Registrar is of opinion that the declaration,

variation or mortgage, as the case may be, has not been made on a duly stamped paper, he shall send back the copy of the document to the bank requiring it to get the deficiency in stamp duty made good by the agriculturist within thirty days or within such extended time as the Sub-Registrar may allow in that behalf. [(2) The Sub-Registrar shall, as soon as may be, on receipt of the copy of the document referred to in sub-section (1), and after ascertaining that said document is duly stamped, file the copy in Book No. 1 prescribed under Section 51 of the Registration Act, 1908. (3) Where the Sub-Registrar is of the opinion that the said document is not duly stamped or suffers from any defect arising out of an accidental slip or omission, he shall send back the copy of the document to the bank requiring it to get the deficiency in the stamp duty made good on the original or to get the defect removed within thirty days or within such extended time as the Sub-Registrar may allow in that behalf] [Substituted by U.P. Act No. 19 of 1975, vide Section 9 (w.e.f. 31-3-1975), old sub-rules (2). and (3) of Section 9, runs as under:] (3-A) The bank shall get the deficiency made good or the defect removed, notwithstanding anything contained in the Indian Stamp Act, 1899. (4) After the deficiency in stamp has been made good [or as the case may be, the defect has been removed] [Instituted by U.P. Act 19 of 1975 Vide Section 9 (b), (w.e.f. 31-3-1975)], the Bank shall send the copy of the document again to the Sub-Registrar in the manner laid down in sub-section (1) and thereupon the Sub-Registrar shall file the copy in Book No. 1 in accordance with the provisions of sub-section (2). (5) Notwithstanding anything contained in the Registration Act, 1908, it shall not be necessary for the agriculturist or any officer of the bank to appear in person or by agent in any registration office in any proceeding connected with the registration of the document or to sign as provided in Section 58 of the said Act. [9-A. Noting of charge or mortgage in the record-of-rights]. [Sections 9-A and 9-B, inserted by U.P. Act 19 of 1975, vide Section 10 (w.e.f. 31-3-1975)]- Where a copy of the document creating charge, variation or mortgage has been sent for registration under Section 9, the bank may give intimation to the Tahsildar or such other official as may be designated in this behalf by the State Government, of the particulars of such charge, variation or mortgage. The Tahsildar or the other official shall make a note of the particulars of the charge, variation or mortgage in the record-of-rights relating to the land in respect of which such charge or mortgage has been created or variation has been made.

9.

-B. Registration of discharge certificates .- Where any declaration or variation in respect of a charge, or mortgage of any land or interest therein or other immovable property has been registered in accordance with Section 9 and the amount of financial assistance secured thereby has been paid to the bank or the debt has been otherwise discharged, the bank shall issue a certificate to that effect and the provisions of the said section shall mutatis mutandis apply to the registration of such certificate.]

10. Restrictions on creation of tenancy by an agriculturist borrower.

(1) Notwithstanding anything contained in any law relating to land tenures or any other law for the time being in force, an agriculturist who has availed himself of financial assistance from a bank by creating a charge or mortgage on land or interest therein shall not; so long as the financial assistance continues to be outstanding, lease or create any tenancy rights on such land or interest

therein without prior permission in writing of the bank nor shall any such rights accrue to any person during that period by reason of unauthorised occupation or adverse possession over such land or interest.(2)Any lease granted or tenancy rights created in contravention of this section shall be void.[10-A. Removal of bar to attachment and sale by process of court. [Instituted by U.P. Act 19 of 1975, vide section 11 (w.e.f. 31- 3-1975)] - Nothing in any law shall prevent in any manner a bank from causing any land or any interest therein charged or mortgaged to it by an agriculturist to secure any financial assistance, to be attached and sold through a civil-court and applying the proceedings of such sale towards all moneys due to it from that agriculturist including the costs and expenses as may be awarded by the court.

10.

-B. Distraint and sale of produce and movables. - (1) Where any sum in respect of any financial assistance granted to an agriculturist remains unpaid on the date on which it falls due, the bank granting the financial assistance may apply to the Tahsildar having jurisdiction for the recovery of the sum due together with expenses of recovery, by distraint and sale of the movable property or the crop or other produce charged in favour of the bank.(2)The provisions of the Limitation Act, 1963, shall apply in relation to an application under sub-section (1), as if such application were a suit in a civil court for sale of the movable property for enforcing recovery of the sum referred to in that sub-section.(3)On receipt of an application under sub-section (1), the Tahsildar or any other official authorised by him may, notwithstanding anything contained in any other law for the time being in force, take action in the manner prescribed for purposes of distraining and selling the property referred to in that sub-section.(4)Any sum so recovered shall be transferred to the bank after deducting the expenses of recovery and satisfying the Government dues or other prior charge if any.]

Chapter IV

Recovery of Dues by Banks

11. Recovery of dues of a bank through a prescribed authority.

- [(1) Notwithstanding anything contained in any law for the time being in force an officer specified by the State Government by notification in the Gazette (hereinafter referred to as the prescribed authority) may, on the application of a bank by order, direct that any amount due to the bank on account of financial assistance given to an agriculturist be paid by the sale of the land of any interest therein or other immovable property which is charged or mortgaged for the payment of such amount:Provided that no order of sale shall be made under this sub- section unless the agriculturist has been served with a notice by the prescribed authority calling upon him to pay the amount due.(1-A) The provisions of the Limitation Act, 1963 shall apply in relation to an application under sub-section (1), as if such application were a suit in civil court for sale of the land or interest therein or other immovable property for enforcing recovery of the sum referred to in that sub-section.] [Substituted by U.P. Act 19 of 1975, vide Section 12(a) (w.e.f. 31-3-1975)](2)An order passed by the prescribed authority shall, subject to the result of appeal under Section 12, be final and be binding on the parties.(3)Every order passed by the prescribed authority in terms of sub-section (1) or by the

appellate authority under Section 12 shall be deemed to be a decree of a civil court and shall be executed in the same manner as a decree of such court by the civil court having jurisdiction.(4)[[Old sub-section (4), is deemed always to have been omitted by U.P. Act, 19 of 1975, vide Section 12 (b), and the new sub-section (4) was again] No suit for the recovery of any sum due to a bank on account of financial assistance given to an agriculturist shall lie in the civil court.[11-A. Recovery in the case of personal security. [Instituted by U.P. Act 19 of 1975, vide Section 13 (w.e.f. 31-3-1975)] - (1) Where any amount of financial assistance is granted by a bank to an agriculturist and the agriculturist fails to pay the amount together with interest on the due date, then without prejudice to the provisions of Sections 10-B and 11, the local principal officer of the bank by whatever name called may forward to the Collector a certificate in the manner prescribed, specifying the amount due from the agriculturist.(2)The certificate referred to in sub-section (1) may be forwarded to the Collector within three years from the date when the amount specified in the certificate fell due.(3)On receipt of the certificate, the Collector shall proceed to recover the agriculturist the amount specified therein together with expenses of recovery as arrears of land revenue, and the amount due to the bank shall be paid after deducting the expenses of recovery and satisfying any Government dues or other prior charges, if any.Explanation. - For the purposes of this section, the expression "Collector" means the Collector of the district in which the agriculturist ordinarily resides or carries on the activities referred to in clause (a) of Section 2 or where any movable or immovable property of the agriculturist is situate, and includes any officer, authorised by him in that behalf].

12. Appeal.

(1)Any party aggrieved by an order of the prescribed authority under Section 11 may within a period of thirty days from the date of the order prefer an appeal to such appellate authority as may be specified by the State Government by notification in the Gazette.(2)The appellate authority may after giving an opportunity of hearing to the parties, pass such order as it think fit.[12-A. Right of a bank to acquire and dispose of immovable property. [Sections 12-A, 12-B and 12-C was omitted by U.P. Act 19 of 1975, vide Section 14 (w.e.f. 31-3-1975)] - (1) Notwithstanding anything contained in any law for the time being in force, but subject to the provisions of sub-section (2), a bank shall have power to itself acquire any land or interest therein or any other immovable property which has been charged or mortgaged to it by an agriculturist in respect of any financial assistance granted to him. (2) Where a bank acquires any land or interest therein or any other immovable property under sub-section (1), it shall dispose of such land, interest or property by sale in favour of an agriculturist within a time to be prescribed, notwithstanding anything contained in any law for the time being in force.(3)If the bank has to lease out any land acquired by it under sub-section (1), pending sale thereof as indicated in sub-section (2), the period of lease shall not exceed one year at a time, and the lessee shall not acquire any interest in that property notwithstanding any provisions to the contrary in any other law for the time being in force.

12.

-B. Recovery of dues from legal representatives. - (1) Where an agriculturist dies before the dues in respect of any financial assistance granted to him have been fully satisfied, the bank or the Tahsildar referred to in Section 10-B or the prescribed authority referred to in Section 11 or the

Collector referred to in Section 11-A may proceed against the legal representatives of the agriculturist for the recovery of the dues.(2)Where the proceedings are taken for the recovery against such legal representatives, they shall be liable only to the extent of the property of the deceased which has come to their hands and has not been duly disposed of and for the purpose of ascertaining such liability, the Tahsildar or the prescribed authority or the Collector, as the case may be, may suo motu or on application of the bank compel such legal representatives to produce such account as he or it thinks fit.

12.

-C. Recovery of dues from sureties. - The provisions of this Act relating to the recovery of dues from an agriculturist and his legal representatives shall mutatis mutandis apply to the recovery of such dues from a surety who enters into a contract of guarantee to perform any promise of discharge the liability of an agriculturist in case of his default and to the legal representatives of such surety.]

Chapter V

Financing of Co-Operative Societies by Banks

13. Definition of Registrar.

- In this Chapter, Registrar means the Registrar of Co-operative Societies, Uttar Pradesh, and includes, except where the context otherwise requires, any other officer exercising the powers of Registrar of Co-operative Societies under the Uttar Pradesh Co-operative Societies Act, 1965.[13-A. Bank eligible to become member of a Co-operative Society. [Instituted by U.P. Act 19 of 1975, vide Section 15 (w.e.f. 31-3-1975)] - Notwithstanding anything contained in the Uttar Pradesh Co-operative Societies Act, 1965, or any other law for the time being in force, it shall be lawful for a bank to become a member of a co-operative society.

13.

-B. Power of Co-operative Societies to borrow from bank. - Nothing contained in Section 60 of the Uttar Pradesh Co-operative Societies Act, 1965, shall bar any co-operative society from borrowing from a bank for the purposes of this Act.]

14. Inspection of books of a co-operative society by a bank.

(1)A bank shall have the right to inspect the books of any co-operative society which has either applied to the bank for financial assistance or is indebted to the bank on account of financial assistance granted earlier.(2)The inspection may be carried out by an officer or any other member of the paid staff of the bank with the previous sanction in writing of the Registrar..(3)Such officer or other member of the staff of the bank, shall, at all reasonable times, have access to the books of accounts, documents, securities, each and other properties belonging to or in the custody of the

co-operative society and shall also be supplied by such society such information, statements and returns as may be required by him assess the financial condition of society and the safety of financial assistance made or proposed to be made to the society.

15. Disputes between a bank and a co-operative society.

(1)Notwithstanding anything contained in the Uttar Pradesh Co-operative Societies Act, 1965 or any other law for the time being in force, any dispute touching the constitution, management or the business of a co-operative society, between a bank giving financial assistance to Co-operative Society and the Co-operative Society receiving such assistance, other than disputes regarding the disciplinary action taken by the society or its committee against a paid employee of the society shall be referred by either of the parties to the dispute to the Registrar for decision.[Explanation. [Instituted by U.P. Act 19 of 1975, vide Section 16, (w.e.f. 31-3-1975)] - A claim by a bank for the recovery of its dues from a co-operative society in respect of the financial assistance given to it shall be deemed to be a dispute which shall be referred to the Registrar under this sub-section.](2)Where any question arises whether, for purposes of the foregoing sub-section, a matter referred to for decision is a dispute or not, the question shall be decided by the Registrar whose decision shall be final.

16. Settlement of disputes.

(1)If the Registrar is satisfied that any matter referred to him or brought to his notice is a dispute within the meaning of Section 15, the Registrar shall decide the dispute himself or refer it for disposal to any other officer nominated by him.(2)Where any dispute is referred under the foregoing sub-section for decision to the Registrar's nominee the Registrar may at any time, for reasons to be recorded in writing, withdraw such dispute from his nominee and may decide the dispute himself or refer it again for decision to any other officer nominated by him.(3)The Registrar may, if he is of the opinion that the question at issue between a co-operative society and a bank is one involving complicated question of law and fact, by order stay action under sub-section (1), until the question has been tried by a regular suit instituted by one of the parties to the dispute. If however, no suit is instituted within two months of such order, the Registrar shall take action as is provided in sub-section. (1).

17. Decision of registrar or his nominee.

(1)When the dispute is referred for decision the Registrar or his nominee may, after giving a reasonable opportunity to the parties to the dispute to be heard, make an award in respect of the dispute, the expenses incurred by the parties to the dispute in connection with the proceedings and fees, expenses payable to the Registrar or his nominee. Such an award shall not be invalid merely on the ground that it was made after the expiry of the period fixed for deciding the dispute by the Registrar and shall, subject only to appeal to the Co-operative Tribunal constituted under Section 96 of the Uttar Pradesh Co-operative Societies Act, 1965, be binding on the parties to the dispute.(2)Nothing in the Arbitration Act, 1940, shall apply to such reference or appeal.(3)Any person aggrieved by an award of the Registrar or his nominee may within thirty days after the date

on which the award is communicated to such person appeal to the Tribunal.(4)The Tribunal after hearing an appeal under this section may pass such order as it may deem just.

18. Recovery of money award.

- Every award given by the Registrar or his nominee or on appeal by the Co-operative Tribunal under Section 17, shall be deemed to be a decree of a civil court and shall be executed in the same manner as a decree of such court by the civil court having jurisdiction.

19. Powers of a bank to proceed against defaulting members of a co-operative society.

(1)If a co-operative society is unable to pay its debts to a bank from which it has borrowed, by reason of its members defaulting in the payment of the moneys due by them, the bank may direct the committee of such society to proceed against such members by taking action under the Uttar Pradesh Co- operative Societies Act, 1965, (U.P. Act No. XI of 1966.) (2)If the committee of the co-operative society fails to proceed against its defaulting members within a period of ninety days from the date of receipt of such direction from the bank, the bank itself may proceed against such defaulting members, in which event, the provisions of the Uttar Pradesh Co-operative Societies Act, 1965, the rules and the bye-laws made thereunder shall apply as if all references to the society or its committee in the said provision, rules and bye-laws were references to the bank.(3)[Notwithstanding anything in the Uttar Pradesh Co-operative Societies Act, 1965, where a bank] [Substituted by U.P. Act 19 of 1975, vide Section 17(a) (w.e.f. 31-3-1975), for the words "where a bank"] has obtained against decree or award a co-operative society indebted to it the bank may proceed to recover such moneys firstly from the assets of the co-operative society and secondly from the members of the co-operative society to the extent of their debts due to the society:[Provided that if any such member who was not a party to any proceedings referred to in sub-section (2) disputes the existence or amount of debt due from him to the society, the objection shall be decided in the appropriate execution proceedings.] [Instituted by U.P. Act 19 of 1975, vide Section 17(b) (w.e.f. 31-3-1975)]

20. Audit inspection and inquiry reports of societies to be available to banks.

- The Registrar shall draw the attention of the bank financing a co-operative society to the defects noticed in every audit or inquiry or inspection of such society conducted under Chapter VIII of the Uttar Pradesh Co-operative Societies Act, 1965 (U.P. Act No. XI of 1966) and shall also supply, a copy each of such audit, inquiry or inspection report if demanded, in writing by the bank.

Chapter VI

Miscellaneous

21. Exemption from legislation relating to money-lending and agriculturists debt relief.

- Nothing in any law for the time being in force dealing with money lending or agriculturists debts relief shall apply to financial assistance given to an agriculturist by a bank.

22. Mortgage executed by managers of joint Hindu families.

(1)Notwithstanding anything contained in any law for the time being in force, a mortgage or charge created after the commencement of this Act by the Karta of a joint Hindu family in favour of a bank for securing financial assistance shall be binding on every member of such joint Hindu family.(2)Where a mortgage or charge created in favour of a bank is called in question on the ground that it was created by the manager of a joint Hindu family for a purpose which was not an agricultural purpose or on any other ground, the burden of proving the same shall lie on the party alleging it.

23. Modified application of Section 8 of Act XXXII of 1956.-

Section 8 of the Hindu Minority and Guardianship Act, 1956 shall apply to a mortgage or charge in favour of a bank for securing financial assistance, subject to the modification that reference to the court therein shall be construed as reference to the Collector or an Assistant Collector authorised by the Collector in that behalf and the appeal against the order of the Collector or such Assistant Collector shall lie to the Commissioner.

24. Application of Sections 4, 5 and 12 of Act No.-36 of 1963.

- The provisions of Sections 4, 5 and 12 of the Limitation Act, 1963, shall mutatis mutandis apply to all proceedings under this Act.

25. Power of the State Government to make rules.

(1)The State Government may, by notification in the Gazette, make rules for carrying out the purposes of this Act. [including any rules prescribing fees in respect of any proceeding under this Act.] [Instituted by U.P. Act 19 of 1975, vide Section 18 (w.e.f. 31-3-1975)](2)Every rule made under this section shall be laid as soon as may be after it is made, before each House of State Legislature while it is in session for a total period of thirty days, which may be comprised in one session or more than one successive sessions and if, during the said period both Houses agree in making any modification in the rule or both House 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 such modification or annulment shall be without prejudice to the validity of anything previously done under that rule,[SCHEDULE]Declaration under Section 6 (1) of the Uttar Pradesh Agricultural Credit Act, 1963Whereas, I..... (aged.....years.....), s/o, r/o....., district....., am desirous of securing a sum of

Rs.....(rupees.....) as financial assistance from..... .. Bank
 (.....branch);And whereas, the aforesaid bank is willing to grant me the above amount as
 financial assistance for purposes of.....;I am, therefore, making this declaration
 under Section 6 (1) of the U.P. Agricultural Credit Act, 1973 and bind myself as well as my heirs and
 legal representatives by the following conditions, namely:(1)That I am agriculturist as defined by
 Section 2 (b) of the U.P. Agricultural Credit Act, 1973.(2)That I am bhumidhar/ [* * *] [The word
 "sirdar" omitted by U.P. Act 25 of 1979, vide Section 4 (w.e.f. 29-6-1979)] asami/Government
 lessee/owner of the land or other immovable property specified below or I have the following
 interest in the land or other immovable property specified
 below.....(3)That I hereby create a charge on the said land or interest
 therein or other immovable property in favour of the aforesaid bank for securing financial assistance
 from such bank.(4)That I shall repay the amount of financial assistance to the bank together with
 interest at the rate of.....per cent per annum, in the following manner.....
(5)That if I fail to make payment in the manner stated above, the property charged
 may be proceeded against and I shall be liable for the costs as well as other charges and expenses of
 the bank, and for the costs, if any, that the bank may have to incur for recovering the sums
 due.(6)That I shall spend and utilize the amount of financial assistance only for the purpose
 hereinbefore mentioned.(7)That the contents of this declaration are true to my personal knowledge
 and no part of it is false or incorrect.Description of the land or interest therein or other immovable
 property charged in favour of the bank

| Name of village | Name of pargana and tehsil | Name of District | Survey No. | City survey No. | Boundaries area | Assessments | A proximate value | Encumbrances | Re if a |
|-----------------------|-------------------------------------|---------------------|------------|-----------------------|--------------------|-------------|-------------------------|--------------|------------|
| Plot No. | Plot hissa | South-East | North-West | Hectares | Rupees | Paise | Nature | Amount | |

In witness whereof, I, Sri..... hereunder set my hand this.....day
 of.....in the year one thousand nine hundred and..... WITNESSES :Signed
 and delivered by the above named in the presence of(1)(2)Signature of Declarant.Forwarded with
 compliments to the Sub-Registrar with a request to record the particulars of the charge created
 under the declaration in his office.Manager/Agent,.....Bank,Place.....Returned
 with compliments to the Manager/ Agent..... Bank.....The charge created under
 the declaration has been duly filed.Sub-Registrar, [Substituted by U.P. Act 19 of 1975, vide Section 19
 (w.e.f. 31-3-1975)]