

# The M.P. Land Improvement Loans Rules, 1962

MADHYA PRADESH

India

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### Rule THE-M-P-LAND-IMPROVEMENT-LOANS-RULES-1962 of 1962

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The M.P. Land Improvement Loans Rules, 1962 Published vide Notification No. 6226-4892-7-N-2, M.P. Rajpatra, Part 4 (Ga), dated 4-1-1963 In exercise of the powers conferred by Section 10 of the Land Improvement Loans Act, 1883 (XIX of 1883), and in supersession of all rules previously made on the subject, the State Government hereby make the following rules, namely :-

#### 1.

(1) These rules may be called the Madhya Pradesh Land Improvement Loans Rules, 1962. (2) In these rules, unless the context otherwise requires- (a) "Act" means the Land Improvement Loans Act, 1883 (XIX of 1883); (b) "Controlling Officer" means the Commissioner of a Division; (c) "Form" means a form appended to these rules. The manner of making applications for loans

#### 2.

Applications for loans shall be in Form A and they may be made to any Revenue Officer or to any other officer competent to advance loans. Printed copies of this form shall be supplied free of cost at all Tahsil offices and offices of officers competent to grant loans and shall be distributed on tour by Revenue Inspectors and Village Level Workers whenever they are required. In the case of oral applications, the form shall be filled in for the application by a revenue official or an official of the office of the officer competent to grant the loan. Note.-Such applications are exempted from court-fees. The powers of sanction

#### 3.

Loans may be granted only by officers to whom an allotment of funds for the purpose has been made by the competent authority and only within the limits of that allotment.

#### 4.

Subject to the provisions of Rule 3, loans may be granted by the following officers to the extent mentioned against them to any individual :-

Name of officer (1)	Maximum limit (2)
1. Commissioners	10,000
2. Collectors	5,000
3. Sub-Divisional Officers	2,000
4. Tahsildars including Naib-Tahsildars exercising powers of a Tahsildar under the Madhya Pradesh Land Revenue Code, 1959.	1,000
5. Block Development Officers	1,000
6. Agricultural Assistants	1,000
7. Circle Auditors, Inspectors of Co-operative Societies, District Organizers of Co-operative Societies, Co-operative and Panchayat Inspectors and Co-operative Extension Officers.	1,000

#### 5.

The Controlling Officers shall, out of the allotment of funds for the purpose of granting loans under the Act in their divisions, apportion a definite amount to each district. The Collectors may make allotments to such officers competent to grant loans as they consider it desirable to employ in granting the loans. The manner of conducting inquiries relative to applications for loans; and the powers to be exercised by officers conducting those inquiries

#### 6.

(1) A Revenue Officer or any other officer competent to grant loans, to whom an application is presented, if he is not empowered to dispose it of himself, shall forward it to the officer immediately superior to himself who is so empowered. (2) An officer to whom an application is presented may either proceed to dispose it of himself or forward it to any other officer competent to grant loans subordinate to himself, who is empowered to dispose it of.

#### 7.

A Revenue Officer or any other officer competent to grant loans, disposing of an application under these rules shall have its entries verified, as far as possible, by comparison with the records of the village in which the land to which the application refers is situated, and may make such further investigation as he may deem necessary either by summoning and examining persons or by local inquiry. In the case of applications for loans exceeding Rs. 1,000 such local inquiry shall be made by an officer of the lowest rank who is competent to grant the loan or by a Tahsildar or a

Naib-Tahsildar and in other cases the enquiry may be entrusted to any officer subordinate to such officer competent to grant loans or to a Revenue Inspector.

**8.**

The officer to whom an application is made shall ordinarily issue a notice under Section 5 of the Act, at the time when he causes the verification of the applicant's statements to be made under the preceding rule. Such notice shall be Form B. It shall be published by being affixed to a prominent place in the village in which the land, to the improvement of which the loan it to be applied, is situated.

**9.**

An officer competent to sanction loan disposing of an application under these rules shall have authority to receive evidence, and shall have the same powers in summoning persons or in causing the production of documents or of calling for records as a Civil Court has under the Civil Procedure Code. The nature of the security to be taken for the due application and repayment of the money

**10.**

Before sanctioning a loan the officer granting the loan shall invariably satisfy himself that it is sufficient to cover so much of the total outlay required to construct the work as the borrower is unable to provide from his own resources.

**11.**

When the amount of the loans under the Act together with-(a)the amount of loan, if any, under the Agriculturist' Loans Act, 1884, and(b)such other dues, if any, which are entitled to priority over the loans under the Act and the Agriculturists' Loans Act, 1884, does not exceed three-fourths of the borrower's interest in the value of the land after the improvement has been carried out, the borrower's interest in the land to be improved shall be considered sufficient security of itself to cover the loan and no collateral security need be required.

**12.**

Where-(a)the interest of the borrower in the land to be improved is not sufficient of itself to ensure repayment of the loan, or(b)the amount of the loan under Act together with-(i)the amount of loan, if any, under the Agriculturists' Loan Act, 1884, and(ii)other dues, if any, which are entitled to priority over the loan under the said two Acts.exceeds three-quarters of the borrower's interest in the value of the land after the improvement has been carried out, the officer granting the loan shall require further security which may consist-(a)of other land belonging to the applicant, or(b)of land belonging to other persons who are willing to become his sureties, or(c)of personal security.

### 13.

If the security taken consists of other land belonging to the applicant, or of land belonging to other persons such land shall be hypothecated by a bond in Form C the execution of which must be attested as required by law. If the security is personal, the officer granting the loan shall, after such inquiry as he may deem necessary, record his reasons for considering that such security is sufficient to guarantee the repayment of the loan.

### 14.

Persons who have not transferable interest in the land may be granted loans under the preceding rule, provided that they have the right to make improvement within the meaning of Section 4 of the Act, or have obtained the consent of any person having such right.

### 15.

When an application is received from the members of a village community, or from a group of cultivators, then notwithstanding that all or any of such members or cultivators owe loans under the Agriculturists' Loans Act, 1884, or other dues which are entitled to priority over the loans under the Act and the Agriculturists' Loans Act, 1884, their joint personal security may ordinarily be accepted as sufficient to ensure the repayment of a loan provided that the amount advanced on such security does not exceed-

- |     |                                   |  |
|-----|-----------------------------------|--|
| (a) | Where the borrower holds dry land | Twenty times the land revenue or rent of the holding or Rs.25 per acre of net cropped area in the preceding year, whichever is less;       |
| (b) | Where the borrower holds wet land | Twenty-five times the land revenue or rent of the holding or Rs. 30 per acre of net cropped area in the preceding year, whichever is less. |

For loans made under this rule, a bond in Form D shall be taken from the borrowers.

### 16.

Copies of all orders granting loans in which immovable property has been hypothecated and copies of all mortgages in [Form C] [Substituted for 'Form D' by M.P. Gazette 4 (ga), dated 26-11-1965] shall be sent to the registering officer as required by Section 89 of the Indian Registration Act, 1908. All such copies shall be certified as true copies by the officer granting the loan. Notes.- (i) Such security bonds are exempt from stamp duty by Article 75, Schedule I, of the Indian Stamp Act, 1899. (ii) The financial limits laid down in Rule 4 do not apply to the total of loans made on joint responsibility, but only the individual amounts by which this total is made up.

### 17.

The conditions subject to which a loan may be made under these rules shall be those specified in the order granting the loan which shall be in Form E but the officer granting it may subject to the orders

of the State Government, vary them. The rates of interest at which and the conditions under which, loans may be granted; and the manner and time for granting loans

**18.**

Interest shall be charged on loans made under these rules at the rate of seven naye Paise per rupee per annum or seven per cent per annum, provided that if an instalment of principal or interest be not paid on the date fixed, it shall be at the discretion of the Collector of the district to charge interest upon such instalment from the date of default at the rate of fourteen naye paise per rupee per annum or fourteen per cent per annum. Interest on every loan shall run from the date on which the loan is made and shall be calculated to the nearest naye Paise in the case of loans granted after the 1st April, 1960.

**19.**

An applicant receiving a loan under these rules shall be required to sign or affix his thumb impression to the order granting the loan, a copy of which shall then be given to him. The Tahsildar or other competent officer, shall, on presentation of the copy at his office, pay the amount of each instalment at the date or dates entered therein.

**20.**

The officer granting the loan shall state in the order granting the loan the purpose for which the loan is to be applied and the period during which it shall be so applied.

**21.**

In the case of loans of Rs. 1,000 or more the money shall not, unless the Collector otherwise directs, be advanced in instalments exceeding Rs. 500 and no instalment after the first shall be advanced until it has been ascertained by the local inspection that at least half the instalment last paid as well as all the previous instalments have been expended on the improvement for which the loan was sanctioned.

**22.**

With the view to facilitate the prompt distribution of loans under the Act, Collectors and such officers competent to grant loans, authorised by the Collectors may draw advances from the treasury in lump sums on abstract bills and distribute loans on tour in the manner prescribed in the note appended to Article 148 of the Civil Account Code. The inspection of works for which loans have been granted

**23.**

Should there be any doubt as to the application of the loan in manner specified in the order granting the loan, the Collector shall inquire into the matter, and if he finds that the loan has been misapplied he may order its recovery with interest in a lump sum. The instalments by which, and the mode in which, loans, the interest to be charged upon them and the cost incurred in the making thereof, shall be paid

**24.**

In fixing the term for the repayment of a loan regard shall be had to the probable duration of the improvement; but ordinarily the term shall not exceed 20 years from the date on which the first instalment becomes due; period may, under the State Government's sanction, in very special cases be extended upto 35 years.

**25.**

Loans shall ordinarily be made repayable by equal yearly or half-yearly instalments of an even number of rupees.

**26.**

The date of repayment of the first instalment shall not exceed two and a half years from the date of the actual advance of the loan, or when the loan is advanced in instalments, from the date of the actual advance of the last instalment, and it shall be fixed within reference to the time when the improvement will begin to yield a return; provided that in case of any improvement, the execution of which has been delayed from causes for the borrower is not responsible, the date of the first instalment may be postponed, under the State Government's sanction, until the work is completed and the borrower has derived from it at least one season's advantage. The first instalment shall ordinarily be fixed for payment on one or other of the dates fixed for the payment of land revenue.

**27. [ [Substituted by Notification No. 933-2668-VII-6-84, dated, 9-5-1984, published in the M.P. Rajpatra (Asadharan), dated 17-5-1984.]**

Whenever suspensions or remission of land revenue are granted in years in which crops have failed in any area or in which crops could not be grown in any area in consequence of any order made under any law by a competent authority, such suspensions or remissions will not carry with them automatically suspension of taccavi instalments which fall due in the same year. The Collector shall examine each case on its merits and may suspend an instalment when such relief is genuinely required. The effect of the suspension of an instalment will be to postpone for one instalment period the payment of all the remaining instalments due on the loan. No interest shall be charged on such postponed instalment for the period of postponement.]

**28. [ [Substituted by Notification No. 933-2668-VII-6-84, dated, 9-5-1984, published in the M.P. Rajpatra (Asadharan), dated 17-5-1984.]**

In individual cases genuine hardship owing to causes other than those attributable to failure of crops the Controlling Officer may direct postponement of one instalment at his discretion. In such cases the payment of subsequent instalment shall remain unaffected but no interest shall be charged on such postponed instalment for the period of postponement.]

**29.**

Suspensions may be granted by the Controlling Officer or under his orders by the subordinate officers who are empowered to grant loans under Rule 4, provided that the amount of the loan on account of which the instalment to be suspended is due does not exceed the amount upto which the officer granting the suspension is empowered to sanction loans, and provided further that when a general suspension of instalment of loans is considered necessary on account of the particular circumstances of a tract or the character or the season, the sanction of the State Government shall be obtained. Remission

**30.**

The State Government is authorised to sanction the remission of arrears in the case of any one loan and also a general remission of loans on account of the particular circumstances of a tract or the character of the season. Form A (See Rule 2) Application for Loan Under Land Improvement Loans Act, 1883

Name, father's name and reference of the applicant		Liabilities of applicant			
Arrears of Land Revenue	Taccavi arrears under Agriculturists' Loans Act, 1884 and the Land Improvement Loans Act, 1883	Co-operative loans	Other debts loans	Total	
(1)	(2)	(3)	(4)	(5)	(6)
Description of improvement to which loan is to be applied	Land to which Improvement is to be made	*Right of applicant in the fields entered in column			
Village with Settlement No. in which situated	Number of each field	Area	Land revenue		
(7)	(8)	(9)	(10)	(11)	(12)
Amount of loan required	Date on which improvement will commence to yield a return	Character and amount	Remarks		

of security  
offered

By applicant himself    By others on behalf of applicant

(13)

(14)

(15)

(16)

(17)

\*When the loan is applied for by a person who has not the right to make the improvement, the person having that right should give in writing the consent required by Section 4 of the Act, and the record of his consent should be signed by him and attested by at least two witnesses. Dated.....19.....Applicant's Signature, Form B (See Rule 8) Notice is hereby given that, son of, resident of has made an application for a loan, under Land Improvements Loans Act, 1883, amount to Rs.....with the purpose of making the improvement noted in the following schedule to the land described therein. As security for the re-payment of such loan and for fulfilment of the conditions on which it is granted, he has offered the security scheduled below. Should any person desire to raise objection to the making of the improvement or the giving of such security, he should do so in the Court of officer granting loan within fifteen days from this date :-

## Schedule

Description of improvement	Land to which improvement is to be effected	Applicant's alleged interest in such land	Security offered by applicant		
Name of Village	Number of each field	Area	By applicant himself	By others on behalf of applicant	
(1)	(2)	(3)	(4)	(5)	(6) (7)

Seal Date..... Signature Designation of the officer granting loan. Form C (See Rule 13) Security Bond to be Used when Immovable Property is Given as Collateral Security Whereas.....has on...received from (the officer granting the loan).....an order under the Land Improvement Loans Act, 1883, in virtue of which he is entitled to receive the aggregate sum of Rs....(in word Rs.....) as a loan from the Government for the purpose of (here describe the work to be carried out) for the benefit of .....(here describe the land to be benefited) and whereas collateral security for the punctual repayment of the loan according to the terms of the order is demanded from the said.....[1] [To be used when the borrower alone gives collateral security.] the said.....[2] [To be used when the borrower and his sureties all give collateral security.] or I the said and [we] [To be used when the collateral security is given by sureties only.].....or we mortgage to the Government the immovable property mentioned in the Schedule below as a collateral security, and agree that if I fail (or the said fails) duly to apply the said loan or to repay any instalments of the said loan or interest chargeable thereon or costs (if any) incurred in the making thereof, on the date on which it may become due, it shall be lawful for the Collector to recover from the said property, all outstanding instalments of the loan such sum as may be necessary to make the amount which in consequence of my (or the said.....) default may be due from me (or him).



## Schedule 2

(Description of Property)Form D(See Rule 15)Security Bond to be Used when Sureties Give Personal Security OnlyWhereas....., has on received from the officer granting the loan.....an order under the Land Improvement Loans Act, 1883, in virtue of which he is entitled to receive the aggregate sum of Rs..(in word Rs.....) as a loan from the Government for the purpose of (here describe the work to be carried out) for the benefit of.....(here describe the land to be benefited) we hereby agree that if the said shall fail duly to apply the said loan or to repay any instalment of the said loan or interest chargeable thereon or costs (if any) incurred in making thereof, on the date on which it may become due, we will be jointly and severally liable to the Government for such sum not exceeding.....as may be necessary to make good the amount which in consequence of his default we may have become liable to pay.Form E(See Rule 17)Order Granting A Loan Under The Land Improvement Loans Act, 1883

### 1.

.....The sum of Rs....(in words, Rs.....) is hereby granted to.....son of.....resident of [(with the consent of.....the record whereof is hereto annexed)] [This clause to be used when needed.] as a loan carrying interest at the rate of....per annum under the Land Improvement Loans Act, 1883, for the following purposes, namely :-

Nature of improvement for which the loan is granted, Section 4, sub-section (2), of the Act		Description of the land to be benefited by the improvement			
Village, with settlement No. and Name of Tahsil	Plot Survey No.	Area	Land Revenue	Right in which, held	
(1)	(2)	(3)	(4)	(5)	(6)

### 2. The conditions subject to which the loan is granted are as follows :-

(a)That the amount of this loan shall be paid to the aforesaid..... on the production of this order at the Tahsil of [.....] [To be inserted only when the loan is payable in instalments.] in the instalments and on the dates specified below-Date.....Instalment.....(b)That the amount of this loan, with interest chargeable thereon, and costs (if any) incurred in the making thereof shall be repayable by the borrower(s) to the Tahsildar or to the officer granting the loan, on the dates and by the amount specified below :-Date Principal Date Principal(c)That this loan shall be applied solely to the purpose(s) specified above, and that if it shall be proved to the satisfaction of the Collector that any part of the loan has been misapplied, the whole amount of loan shall, with such interest as may have become due thereon, as well as costs, if any be deemed to become due at once.(d)[ That the work shall be completed in the manner and within the period, or periods specified below and if it is not so completed, the loan shall be held to have been misapplied.] [This

clause to be used when needed.](e)That if any instalment is not paid on the due date interest at.....per annum may, at the discretion of the Collector, be charged on such instalment from the date of default.(f)That if any instalment is not paid on the due date, all future instalments shall, with such interest as may be due thereon, as well as costs (if any) incurred in making the loan, become due at once.(g)That if any part of the land be benefited by the improvement is transferred, all instalments falling due after the transfer shall, with such interest as may be due thereon, as well as costs (if any) incurred in making the loan,, become due at once.(h)That all payments shall be credited first towards the interest and the balance, if any, shall be applied to the reduction of the principal.(i)That the loan is secured on the land benefited and also on the land offered as collateral security in Form C appended thereto.(j)That if the loan is misapplied, then without prejudice to the provisions of condition (c) the borrower shall on an order in writing passed by a revenue officer not below the rank of Sub-Divisional Officer be liable to pay by way of penalty such sum not exceeding twice the amount of loan outstanding as such officer may be order fix, unless the borrower refunds the amount of loan and satisfies such officer that the misapplication was due to reasons beyond his control.(k)[ ] [Here should be entered any special condition not already contained in the form.]Dated.....Signature of the Officer granting loan.....I /We understanding and agree to the aforesaid terms and conditions.Ten nP. Stampwhen the sumexceeds Rs. 20Signature(s) of the person(s)to whom the loan is granted.Dated.....Table showing the details of repayment

Page No. and Volume No. of Khata	Date of transaction	Amount of interest due
(1)	(2)	(3)

Re-payment on accountof	Balance of principal due	Signature of Tahsildar/Patel
Principal	Interest	Total
(4)	(5)	(6) (7) (8)

True copy forwarded to the Sub-Registrar.....as required by Section 89 of the Indian Registration Act, 1908.SealDated.....Officer granting loan.