

# The Punjab Agricultural Indebtedness (Relief) Act, 1975

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### Act 24 of 1975

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The Punjab Agricultural Indebtedness (Relief) Act, 1975 Punjab Act 24 of 1975 Received the assent of the Governor of Punjab on the 12th August, 1975 and first published in the Punjab Government Gazette (Extraordinary), Legislation Supplement Part I of the 13th August, 1975. An act to provide relief from indebtedness to landless agricultural labourers and small farmers. Be it enacted by the Legislature of the State of Punjab in the Twenty-sixth Year of the Republic of India as follows :-

### 1. Short title and commencement.

(1) This Act may be called the Punjab Agricultural Indebtedness (Relief) Act, 1975. (2) It shall come into force at once.

### 2. Definitions.

- In this Act, unless the context otherwise requires, -(i) "Bank" means a banking company as defined in sections 5 of the Banking Regulation Act, 1949 and includes the State bank of India constituted under the State Bank of India Act, 1955, a Subsidiary Bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959, a corresponding new Bank as defined in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and Agricultural Refinance Corporation constituted under the Agricultural Refinance Corporation Act, 1963; (ii) "civil court" includes -(a) any court exercising jurisdiction under the Provincial Insolvency Act, 1920; (b) a Panchayat established under the Punjab Gram Panchayat Act, 1952 while exercising functions of a civil court; (c) a court exercising powers under the Provincial Small Cause Court Act, 1887; (iii) "Co-operative Society" means a society registered or deemed to be registered under the Punjab Co-operative Societies Act, 1961; (iv) "debt" means an advance in cash or kind, whether decreed or not, and includes any transaction which is in substance a debt; (v) "debtor" means a rural artisan and includes a person who owes a debt and -(a) is ordinarily a resident in the State of Punjab; (b) earns his livelihood mainly

by working as agricultural labourer;(c)does not own any agricultural land;(d)whose total assets do not exceed in value a sum of rupees fifty thousand;(vi)"rural artisan" means a person -(a)who does not hold any agricultural land and whose principal means of livelihood is production or repair of traditional tools, implements and other articles or things used for agriculture or purposes ancillary thereto; or(b)who normally earns his livelihood by practising a craft either by his own labour or by the labour of the members of his family in the rural area;and whose total assets do not exceed in value a sum of rupees fifty thousands;(vii)"small farmer" means a person who owes a debt and who earns his livelihood mainly by agriculture and -(a)who owns agricultural land not exceeding two hectares; or(b)whose total assets do not exceed rupees fifty thousand in value.

### **3. Certain debts and liabilities not to be affected.**

- Nothing in this Act shall affect debts of any debtor or a small farmer falling under any of the following heads, namely:-(a)any rent due in respect of any property let out to such debtor or small farmer;(b)any transaction evidenced by a registered document.(c)any liability arising out of breach of trust or any tortious liability;(d)any liability in respect of wages or remuneration due as salary or otherwise for services rendered;(e)any liability in respect of maintenance whether under a decree of court or otherwise;(f)a debt due to -(i)the Central Government or any State Government;(ii)any local authority;(iii)any Co-operative Society;(iv)any Government Company within the meaning of the Companies Act, 1956;(v)the Punjab Scheduled Castes Land Development and Finance Corporation established under the Punjab Scheduled Castes Land Development and Finance Corporation Act, 1970;(vi)the Punjab State Financial Corporation established under the State Financial Corporations Act, 1951;(vii)a Bank;(g)any debt which represents the price of goods purchased by such debtor or small farmer.

### **4. Consequences of commencement of this Act.**

- Notwithstanding anything contained in any other law for the time being in force or in any contract or other instrument having force by virtue of any such law, and save as otherwise expressly provided in this Act, the consequences as hereinafter set forth shall ensue with effect from the date of commencement of this Act or as the context may require, namely :-(a)every debt owed on the commencement of this Act by a debtor, together with any interest payable thereon shall be deemed to be wholly discharged;(b)every debt owed to any person by a small farmer shall be deemed to be wholly discharged if -(i)the small farmer has, in the discharge of his debt, paid a sum exceeding or equivalent to one and a half times of the amount of the debt at any time before the commencement of this Act;(ii)the small farmer in the discharge of his debt, pays after the commencement of this Act; a sum which together with any sum already paid in the discharge of such debt is equivalent to one and a half times the amount of the debt;(c)every debtor or small farmer undergoing detention in a civil prison in execution of any decree for money passed against him by a civil court in respect of any debt deemed to be discharged under clause (a) or (b) shall be released;(d)every property pledged or mortgaged by a debtor or a small farmer whose debt is deemed to be discharged under clause (a) or (b) shall, as and when such debt is deemed to be discharged, stand released in favour of such debtor or as the case may be, such small farmer, and the creditor shall, if he is in possession thereof, return the same to the debtor or as the case may be to the small farmer forthwith;(e)there

shall be a moratorium on the re-payment of a debt or of interest, if any, by a debtor or small farmer for a period of two years and no interest shall be payable by the debtor or small farmer for the aforesaid period of moratorium.

## **5. Past payments.**

- Nothing in this Act shall be so construed as to entitle any debtor or the small farmer to refund any part of a debt already paid by him or recovered from him before the commencement of this Act.