

# Agriculturist's Loans Act, 1884

UNION OF INDIA

India

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### Act 12 of 1884

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### 1418.

**Object and Reasons** The object of this Bill is to repeal the Northern India Takkavi Act and re-enact it with certain amendments which appear to be desirable. First.- The existing law makes no provision for recovery as an arrear of land revenue of interest on loans made under it and of the costs (if any) incurred by the Government in making the loans. Section 3 of Act X of 1879 only provides for the recovery in this way of the principal sum advanced. Section 5 of the Bill supplies this omission by providing that interest and costs (if any) may be recovered as arrear of land-revenue in the same manner as the principal. Secondly.- Act X of 1879 extends to certain limited areas, namely the North Western Province and Oudh, the Punjab, the Central Provinces; Assam and Ajmer. At present there is no law in force in Bengal and Coorg under which advances of the nature of those with which the Act deals can be made. There are provisions relating to such advances in the laws in force in Bombay, Madras and British Burma; but the Local Government of Bombay and Madras are authorised to accept the extension of Northern India Act to their provinces; and the Chief Commissioner of British Burma says that if that Act is not extended in his province, it will be necessary to amend the law at present in force there in order to provide for the recovery of interest on advances. Provision has, therefore, been made in section 2 of the Bill empowering any Local Government, if it thinks fit, to extend the Act to the whole or any part of the territories under its administration. Thirdly.- A new section 6 has at the request of the Punjab Government been inserted in the Bill similar to section 9 of the Land Improvement Loans Act, 1883, recognising the principle of making loans on the joint responsibilities of village communities. Lastly- As the term "Takkavi" is, it is understood, applied, in some parts of India to advances of the nature of those to which the Land Improvement Loans Act relates, it is proposed to alter the present title and to style the new Act 'The Agriculturists' Loans Act'. - Gazette of India, 1884, Part V, page 2. [24th July, 1884.] An Act to amend and provide for the extension of the Northern India Takkavi Act, 1879. Preamble WHEREAS it is expedient to amend the Northern India Takkavi Act, 1879, and provide for its extension to [other

[Part A States or Part C States] [Substituted by the A.O.1948, for " any part of British India" ] ; It is hereby enacted as follows:-

## 1. Short title:-

(1)This Act may be called the Agriculturists' Loans Act, 1884; and(2)It shall come into force on the first day of August, 1884.

UNION TERRITORY (Dadra and Nagar Haveli)-In its application to the Union Territory of Dadra and Nagar Haveli, in Section 1, sub-sec. (2) shall be ommitted. - See G.S.R. 1638, Gazette of India, 8-12-1962, Pt. II, Section 3(i), p. 1982.ANDHRA PRADESHIn its application to the State of Andhra Pradesh, in sub-section (1) of Section 2, after the expression "except the territories which immediately before the 1st November, 1956, were comprised in Part B States", add the expression "other than the territories specified in sub-section (1) of Section 3 of the States Reorganization Act, 1956" - Andhra Act 19 of 1958, Section 6.GUJARATIn its application to the State of Gujarat, amendment made is the same as in Maharashtra. - Act 11 of 1960, Section 87 read with Guj. A.L. (8th Am.) O. 1961 (1-5-1960).MADHYA PRADESH(i) in sub-section (1), after "Part B States" add the words "other than the Madhya Bharat and Sironj regions of the State of Madhya Pradesh";(ii) In sub-section (2), for "the Central Provinces" substitute "the Madhya Pradesh". - Madhya Pradesh Act 23 of 1958, Section 3(3) and Sch.MAHARASHTRAIn its application to the State of Maharashtra, in section 2-(a) to sub-section (1) the following proviso shall be added-"Provided that on the commencement of the Land Improvement Loans and Agriculturists' Loans (Extension and Amendment) Act, 1957, this section shall also extend to the Hyderabad and Saurashtra areas of the State of Bombay."(b) in sub-section (2)(i) after the word "Delhi" insert the words "and the State of Bombay" and(ii) delete the word "Bombay".- Bombay Act 27 of 1958, Section 4(1) and Maha. A. L. (Am.) O. 1961 (1-5-1960).UNION TERRITORY (Dadra and Nagar Havell)In exercise of powers under Section 10 of the Dadra Nagar Haveli Act 1961 (35 of 1961), the Central Government has extended the Act, as in Gujarat, to the D.N.H. Union Territory with some modifications;(1) For the words `State Government', wherever occurring, the word `Administrator shall be substituted.(2) Sub-section (2) of Section 1 and Section 2 omitted. - See G.S.R., 1638, Gazette of India, 8-12-1962, Pt. 11, Section 3(i), p. 1982.

## 2. Local extent:-

(1)This section and section 3 extend to the whole of India except Part B States.(2)The rest of this Act extends in the first instance only to [Bombay, Uttar Pradesh , Punjab, the Central , Provinces , Assam , Delhi and Ajmer-Merwara.] [Substituted by the A.O.1948, for original words.](3)But any State Government may, from time to time, by notification in the Official Gazette, extend the rest of this Act to the whole or any part of the territories under its administration.

## 3. [Repeal of Act X of 1879, and sections 4 and 5 of Act XV of 1880.]

Rep.by the Repealing Act, 1938 (1 of 1938), s.2 and Sch.

#### 4. Power for State Government to make rules:-

(1) State Government [or, in a State for which there is a Board of Revenue or Financial Commissioner, such Board or Financial Commissioner, Subject to the control of the State Government] [Inserted by the Act 4 of 1914, s.2 and Sch. Pt. I.] may, from time to time, [\* \* \*] [The words " subject to the control of the G.G.in C. " by the Act 4 of 1914, s.2 and Sch. Pt. I.] make rules as to loans to be made to owners and occupiers of arable land, for the relief of distress, the purchase of seed or cattle, or any other purpose not specified in the Land Improvement Loans Act, 1883, but connected with agricultural objects. (2) All such rules shall be published in the Official Gazette.

**ANDHRA PRADESH** In its application to the State of Andhra Pradesh, amendment is the same as in Madras. - Act 30 of 1953, Section 53 (1-10-1953) and A. P. Act 9 of 1961, Section 3 and Sch. **GUJARAT** In its application to the State of Gujarat, amendment in the section is the same as made by Born. Acts 6 of 1949, Section 2 and 27 of 1958, Section 4(2). - Act 11 of 1960, Section 87 and Guj. A.L. (8th Am.) O., 1961 (1-5-1960). **MAHARASHTRA** In sub-section (1), after the word "objects" add the words "or [for purchasing house sites or for erecting] [ Substituted for the words 'for erecting' by Maha. Act 38 of 1965, Section 2 (4-9-1965).], rebuilding or repairing houses" - Bombay Acts 6 of 1949, Section 2 (11-4-1949) and 27 of 1958, Section 4(2). **TAMIL NADU** In sub-section (1) after the words "the relief of distress" insert the words "or indebtedness" - Madras Act 16 of 1935, Section 2 (29-10-1935). **UTTAR PRADESH** In sub-section (1)(a) Omit the words "or, in a State .....the control of the State Government." - U.P. Act 12 of 1922, S.2.(b) after the words "the relief of distress" insert the words "the payment of existing debt." (c) at the end of sub-section (1) after the words "agricultural objects" add the words "including the purchase of rights in agricultural land" - U.P. Act 12 of 1934, Sections 3 and 4 (19-1-1935). (d) between the words "agricultural" and "objects" insert the words "and fruit growing" - U.P. Act 12 of 1946, Section 2 (3-4-1948). **UNION TERRITORY (Dadra and Nagar Haveli)** Same as in Gujarat, with modifications noted under Section 4 - See G.S.R. 1638, Gazette of India, 8-12-1962, Pt. II, Section 3(1), p. 1982.

#### 5. Recovery of loans:-

Every loan made in accordance with such rules, all interest (If any) chargeable thereon, and costs (if any) incurred in making or recovering the same, shall, when they become due, be recoverable from the person to whom the loan and made, or from any person who has become surety for the repayment thereof, as if they were arrears of land-revenue or costs incurred in recovering the same due by the person to whom the loan was made or by his surety.

**MADHYA PRADESH** For section 5 the following sections shall be substituted, namely-5. Recovery of loans.-(1) Subject to such rules as may be made under section 4, a loan granted under this Act with any interest due thereon, shall in default of payment, be recoverable by the Deputy Commissioner in all or any of the following modes, namely : (a) from the borrower - as if it were an arrear of land revenue due by him; (b) from his surety, if any - as if it were an arrear of land revenue due by him; (c) out of any land of the borrower - as if it were an arrear of land revenue due by him; (d) out of property comprised in collateral security, if any - according to the procedure for the realisation of land revenue by the sale of immovable property other than the land on which that

revenue is due.(2) It shall be in the discretion of the Deputy Commissioner acting under this section to determine the order in which he will resort to the various modes of recovery permitted by it.5A. Loans to have priority.-A loan granted under this Act together with interest due thereon and costs of recovery shall except in respect of land revenue and a loan granted under the Land Improvement Loans Act, 1883, have priority over all encumbrances and charges created before the date of the order granting the loan on the borrower's interest in any land". - C. P. and Berar Act 34 of 1947, Section 2 (26-12-1947).MAHARASHTRAIn its application to the Vidarbha region of the State of Maharashtra, substitute for section 5, the following:(i)5. Recovery of loan.-Every loan in accordance with such rules, all interest (if any) chargeable thereon, and costs (if any) incurred in making or recovering the same, shall, when they become due, be recoverable from the person to whom the loan was made, from any person who has become surety for the repayment thereof, as if they were arrears of land revenue or costs incurred in recovering the same due by the person to whom the loan was made or by his surety.(ii) In its application to the Vidarbha region of the State of Maharashtra section 5A as inserted by C.P. and Berar Act 54 of 1957 is repealed by Bombay Act 27 of 1958, Section 5(g) (1-4-1958)

## **6. Liability of joint-borrowers as among themselves:-**

When a loan is made under this Act, to the members of a village community or to any other persons such terms that all of them are jointly and severally bound to the Government for the payment of the whole amount payable in respect thereof, and a statement showing the portion of that amount which as among themselves each is bound to contribute is entered upon the order granting the loan and is signed, marked, or sealed by each of them or his agent duly authorized in this behalf and by the officer making the order, that statement shall be conclusive evidence of the portion of that amount which as among themselves each of those persons is bound to contribute.

MADHYA PRADESHAAfter section 6, add the following section7. Prohibition of misapplication of loan under the Act.-(1) Every person taking loan under this Act shall, in the manner provided for in the rules made by the State Government in this behalf and the conditions contained in the order granting such loan, apply the amount thereof, for the purpose and within the period specified in the order granting such loan.(2) Without prejudice to any penalty which may be imposed under any other provision of law or instrument, any person who fails to comply with the provisions of sub-section (1) 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 the loan outstanding as such officer may by order fix unless such person refunds the amount of loan and satisfies such officer that the failure was due to reasons beyond his control." - C.P. and Berar Act 54 of 1949, section 2 (18-11-1949).MAHARASHTRAIn its application to the Vidarbha region of the State of Maharashtra, Section 7 as added by the C.P. and Berar Act 54 of 1949 shall stand repealed - Bom. Act 27 of 1958, Section 5(g) (1-4-1958).