



The Tamil Nadu Indebted Agriculturists (Repayment of Debts) Act, 1955

Act 1 of 1955

Keyword(s):
Agriculturist, Debt

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¹[TAM L NADU] ACT No. 1 OF 1955².

(THE ¹[TAMIL NADU] INDEBTED AGRICULTURISTS
(REPAYMENT OF DEBTS) ACT, 1955.)

(Received the assent of the President on the 27th February 1955; first published in the Fort St. George Gazette Extraordinary on the 1st March 1955.)

An Act to give relief to indebted agriculturists in the ³[State of Tamil Nadu].

WHEREAS it is expedient to enable the indebted agriculturists to repay their debts in easy instalments;

BE it enacted in the Sixth Year of the Republic of India as follows:—

Short title, extent and commencement. 1. (1) This Act may be called the ¹[Tamil Nadu], Indebted Agriculturists (Repayment of Debts) Act, 1955.

(2) It extends to the whole of the ³[State of Tamil Nadu].

⁴[(3) It shall come into force at once.]

Definitions. 2. In this Act, unless the context otherwise requires—

(a) 'agriculturist' means a person who has an interest other than interest as a simple mortgagee in any agricultural or horticultural land not being a land appurtenant to a residential building but shall not include.—

(i) any person liable to pay land revenue (which shall be deemed to include peshkash and quit-rent) exceeding one hundred and fifty rupees per annum in any year after 1952-53;

¹ These words were substituted for the word "Madras" by the Tamil Nadu Adaptation of Laws Order, 1969, as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.

² For Statement of Objects and Reasons, see Fort St. George Gazette Extraordinary dated the 9th February 1955, Part IV-A, pages 64-65.

³ This expression was substituted for the expression "State of Madras" by the Tamil Nadu Adaptation of Laws Order, 1969, as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.

⁴ This sub-section was substituted for the original sub-section (3) by section 3 of, and the Second Schedule to, the Tamil Nadu Repealing and Amending Act, 1955 (Tamil Nadu Act XXXVI of 1955).

(ii) any person assessed to profession tax on income derived from a profession other than agriculture under any law governing municipal or local bodies in India on a half-yearly income of more than nine hundred rupees in any half-year after 1952-53.

(iii) any person assessed in any half-year after 1952-53 to property or house tax on an annual rental value of ¹[not less than] rupees six hundred in respect of buildings (other than a building in which he lives) or lands other than agricultural lands under any law governing municipal or local bodies in India ;

(iv) any person ~~assessed~~ to sales tax on a total turnover of not less than twenty thousand rupees in any year after 1952-53 under the Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), or ²[under the law of any other part of India relating to sales tax] ;

(v) any person assessed to income-tax under the Indian Income-tax Act, 1922 (Central Act XI of 1922), in any year after 1950-51 ;

(vi) a firm registered under the Indian Partnership Act, 1932 (Central Act IX of 1932), or a company as defined in ^{*}the Indian Companies Act, 1913 (Central Act VII of 1913), or a corporation formed in pursuance of an Act of Parliament of the United Kingdom or of any special Indian law ;

Explanation I.—Where a joint Hindu family or tarwad, tavazhi, kutumba or kavaru, is an agriculturist, every coparcener or member of the tarwad, tavazhi, kutumba or kavaru, as the case may be, shall be deemed to be an agriculturist provided that he does not fall under any of the categories specified in sub-clauses (i) to (v).

Explanation II.—The provisions of this Act shall not apply to any person who though an agriculturist was not an agriculturist on the 1st October 1953 ;

¹ These words were inserted by section 3 of, and the Second Schedule to, the Tamil Nadu Repealing and Amending Act, 1955 (Tamil Nadu Act XXXVI of 1955).

² These words were substituted for the words "under the law of any other State relating to Sales Tax" by section 4 of, and the Third Schedule to, the Tamil Nadu Repealing and Amending Act, 1957 (Tamil Nadu Act XXV of 1957).

* See now the Companies Act, 1956 (Central Act 1 of 1956).

(b) 'debt' means any liability in cash or kind, whether secured or unsecured, due from an agriculturist on the 1st October 1953 whether payable under a contract or decree or order of a Court, civil or revenue, or otherwise, but shall not include—

(i) any sum payable to the State or the Central Government or to any local authority ;

(ii) any sum payable to any co-operative society including a land mortgage bank, registered or deemed to be registered under the * Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), provided that the right of the society to recover the sum did not arise by reason of an assignment made subsequent to the 1st October 1953 ;

(iii) any liability arising out of a breach of trust ;

(iv) any liability in respect of maintenance ;

(v) any liability in respect of wages or remuneration due as salary or otherwise for services rendered ; or

(vi) any liability incurred or arising under any Chit Fund Scheme.

Explanation I.—Where a debt has been renewed or included in a fresh document executed after the 1st October 1953 whether by the same debtor or by his heirs, legal representatives or assigns or by any other person acting on his behalf or in his interest or as a result of a partition, in favour of the same creditor or his heirs, legal representatives or assigns or any other person acting on his behalf or in his interest or as a result of a partition, the amount outstanding on the 1st October 1953 and included in the document executed after the 1st October 1953 shall alone be treated as the debt for the purposes of this Act.

Explanation II.—Where a debt has been split up after the 1st October 1953 among the heirs, legal representatives or assigns of a debtor or a creditor or as a result of a partition and fresh documents have been executed in respect of different portions of the debt, each of the different portions shall be a debt for the purposes of this Act.

*See now the Tamil Nadu Co-operative Societies Act, 1961 (Tamil Nadu Act 53 of 1961.)

3. (1) No suit for recovery of a debt shall be instituted, ^{Bar of suits and applications.} and no application for execution of a decree in respect of a debt shall be made, against any agriculturist in any civil or revenue Court before the expiry of four months from the commencement of this Act.

Explanation I.—Where a debt is payable by an agriculturist jointly or jointly and severally with a non-agriculturist, no suit or application of the nature mentioned in this sub-section shall be instituted or made either against the non-agriculturist or against the agriculturist before the expiry of the period mentioned in this sub-section.

Explanation II.—For the purposes of this Act, a suit in which a decree in respect of a debt is prayed for shall be deemed to be a suit for the recovery of a debt notwithstanding that other reliefs are prayed for in such suit and a decree shall be deemed to be a decree in respect of a debt notwithstanding that other reliefs are granted in such decree :

Provided that a suit for possession of land shall not be deemed to be a suit for recovery of a debt by reason merely of mesne profits being also prayed for in such suit :

Provided further that nothing contained in this section shall apply to any portion of a decree other than that relating to a debt.

(2) Where a creditor files a suit for recovery of a debt during the period specified in sub-section (1) or after the agriculturist has paid or deposited into Court the sums and instalments specified in sub-section (1) of section 4 and during the period when he is so entitled to pay, the Court shall in decreeing the suit direct the plaintiff to bear his own costs and pay the costs of the defendant who is an agriculturist :

Provided that nothing contained in this sub-section shall be a bar to the Court passing any order as to costs as between the plaintiff and other defendants who are not agriculturists.

4. (1) Notwithstanding any law, custom, contract, or ^{Payment of debt in instalments.} decree of Court to the contrary, an agriculturist shall be entitled to pay within four months of the commencement of this Act the interest due on any debt due by him up to the commencement of this Act and one-eighth of the principal outstanding or one-fourth of the total amount outstanding,

whichever is less, and the balance of the debt in three equal annual instalments on or before the 1st July of each of the succeeding three years with the interest due on such instalment up to that date.

Explanation.—In the case of a decree, the amount decreed shall be deemed to be the principal.

(2) Where in respect of a decree for debt passed before the commencement of this Act, a debtor fails to make any one of the payments specified in sub-section (1) the decree holder shall be entitled to execute the decree in respect of the instalment which is in default.

(3) In any suit filed after the commencement of this Act, the Court in decreeing the suit shall provide for the immediate payment of such instalment or instalments as would have become due ¹[under the provisions of] sub-section (1) and the balance in further instalments as specified therein.

(4) Where in any suit for the recovery of a debt pending at the commencement of this Act, the debtor claims to be an agriculturist, the Court shall, if the debtor is an agriculturist, pass a decree for immediate payment of such instalment or instalments as would have become payable under the provisions of sub-section (1) and the balance in further instalments as specified therein.

(5) Nothing contained in this Act shall bar the Court from passing a decree or making an order in an application for execution of the decree under such terms and conditions as may be more favourable to the debtor than those provided for in this section either of its own motion upon a consideration of all the circumstances of the case or upon an agreement between the parties.

(6) Where in any suit to recover a debt or in any application for the execution of a decree therefor the debt is payable by an agriculturist jointly or jointly and severally with a non-agriculturist, the Court shall pass a decree or make an order for the payment of the debt found due from

¹ These words were substituted for the words "under provisions of" by section 3 of, and the Second Schedule to, the Tamil Nadu Repealing and Amending Act, 1955 (Tamil Nadu Act XXXV of 1955.)

the agriculturist as provided in this section as against the agriculturist and make such provision in the decree or order against the non-agriculturist as the circumstances of the case may warrant.

(7) The provisions of sub-section (1) shall for purposes of execution, be deemed to be a subsequent order of Court within the meaning of ¹[clause (b) of sub-section (1) of section 48] of the Code of Civil Procedure, 1908 (Central Act V of 1908).

5. (1) An agriculturist may deposit any of the instalments as provided in section 4 into the Court having jurisdiction to entertain a suit for recovery of the debt or into the Court which passed the decree, as the case may be, and apply to the Court to record part-satisfaction of the debt.

(2) Where any such application is made, the Court shall pass an order recording part-satisfaction of the debt if the amount deposited is the correct amount.

(3) The Court shall dismiss the application—

(a) if the applicant is not an agriculturist, or
(b) if the liability is not a debt, or
(c) if the amount deposited is insufficient and the applicant on being required by the Court to deposit the deficit amount within a time fixed by the Court, fails to do so.

(4) Any agriculturist entitled to make such deposit may, before the date on which any instalment is due, apply to the Court having jurisdiction under sub-section (1) for an extension of time for making the deposit of the whole or any portion of such instalment and the Court may, after notice to the creditor, extend the time for payment of such instalment or part thereof for such period as it thinks fit.

(5) The procedure laid down in the Code of Civil Procedure, 1908 (Central Act V of 1908), for the trial of suits shall, as far as may be, apply to the applications under this section.

¹ This expression was substituted for the expression "clause (b) of section 48" by section 3 of, and the Second Schedule to, the Tamil Nadu Repealing and Amending Act, 1955 (Tamil Nadu Act XXXV of 1955.)

Appeals. 6. An appeal shall lie from an order passed by a Court under section 5, as if such an order relates to the execution, discharge or satisfaction of a decree within the meaning of section 47 of the Code of Civil Procedure, 1908 (Central Act V of 1908).

Presumption as to transfer of immovable property of the debtor. 7. (1) Every transfer of immovable property made by a debtor entitled to the benefits of this Act after the 1st October 1953 and before the complete discharge of his debt, shall, in any suit or other proceeding with respect to such transfer, be presumed, until the contrary is proved to have been made with intent to defeat or delay the creditors of the transferor.

(2) Where a debtor entitled to the benefits of this Act has allowed, in collusion with another, his immovable property to be sold after the 1st October 1953 through Court with a view to defeat or delay his creditors, the sale shall be voidable at the option of any creditor so defeated or delayed.

Exclusion of time for limitation. 8. In computing the period of limitation for a suit for recovery of a debt or an application for the execution of a decree in respect of a debt, the time during which the institution of the suit or the making of the application was barred under section 3 shall be excluded.

Effect of payment or deposit under section 4 or section 5. 9. Where a debt is payable by an agriculturist either by himself or jointly or jointly and severally with a non-agriculturist and where the agriculturist makes payment or deposits amount towards that debt as provided for in section 4 or section 5, a fresh period of limitation shall be computed from the time when the payment or deposit was made both against the agriculturist and non-agriculturist.

Power to make rules. 10. (1) The State Government may make rules for carrying out the purposes of this Act.

(2) The rules so made shall be placed on the table of each House of the Legislature as soon as they are published and shall be subject to such modification whether by way of repeal or amendment as the Legislature may make during the session in which they are so laid.