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SAURASHTRA AGRICULTURAL DEBTORS RELIEF ACT, 1954 23 of 1954

[5th August, 1954]

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SCHEDULE 1:- SCHEDULE

SAURASHTRA AGRICULTURAL DEBTORS RELIEF ACT, 1954 23 of 1954

[5th August, 1954]

An Act to provide for the relief of agriculturists including Girasdars and Barkhalidars in respect of their debts. Whereas as a result of the Saurashtra Land Reforms Act, 1951 and the Saurashtra Barkhali Abolition Act, 1951, the estates of Girasdars and Barkhalidars have diminished and their payment capacity is reduced; And whereas for the amelioration of the condition of Girasdars and Barkhalidars and for rehabilitating them effectively, it is necessary to give them relief against the burden of debt; And whereas it is necessary to provide relief to agriculturists other than Girasdars and Barkhalidars also against the burden of debt; And whereas in order to achieve this purpose, it is expedient to provide for the adjustment and scaling down of their debts in such manner and to such extent as can be reasonably and equitably done and for certain other matters incidental thereto; It is hereby enacted as follows:-

CHAPTER 1 Preliminary

1. Short title, extent and commencement :-

- (1) This Act may be called the Saurashtra Agricultural Debtors' Relief Act, 1954.
- 1 (2) It shall extend to the whole of area of the State of Gujarat.]
- (3) It shall come into force at once.
- 1. Substituted by Gujarat A.O. 1960.

2. Interpretation :-

In this Act, unless the context otherwise requires,-

(1) "Agriculturist" means any person who has been cultivating land personally for a period of two years immediately preceding the date of the coming into force of this Act, and includes a tenant of an occupant, a Girasdar, a Barkhalidar or a tenant as defined in the

Saurashtra Land Reforms Act, 1951 and the Saurashtra Barkhali Abolition Act, 1951;

- (2) "award" means an award made under Section 9 or under Section 30 or Section 31, or as confirmed or modified by the court in appeal;
- (3) "Board" means the Board constituted under Section 5 of the Act.
- (4) "co-operative society" means a society registered under the Bombay Co-operative Society Act, 1925, as adapted and applied to the State of Saurashtra;
- (5) "debt" means any liability in cash or kind. whether secured or unsecured, due from a debtor, whether payable under a decree or order of any Civil Court or otherwise, and includes mortgage money the payment of which is secured by the usufructuary mortgage, or by anomalous mortgage in the nature of PURA-CHHOOT of immovable property but does not include arrears of wages payable in respect of agricultural or manual labour;
- (6) "debtor" means an agriculturist,-
- (i) whose debts do not exceed Rs. 25,000 on the date of filing an application to the Board under Section 4; and

(ii)

- (a) in the case of an individual whose annual income from sources other than agriculture and manual labour does not exceed 33 per cent of his total annual income or does not exceed Rs. 1800 whichever is greater;
- (b) in the case of an undivided Hindu family whose annual income from sources other than agriculture and manual labour does not exceed 40 per cent of its total annual income and the aggregate of such incomes of whose members does not exceed Rs. 5,400; Provided that a person whose debts of a commercial or industrial nature form a substantial part of his total debts shall not be considered to be a debtor. The decision of the Board whether debts of an industrial or commercial nature form a substantial part of the total debts shall be final.
- (7) "prescribed" means prescribed by rules made under this Act;
- (8) "resource society" shall have the same meaning as it has in the

Bombay Co-operative Societies Act, 1925, as adapted and applied to the Saurashtra area of the State of Gujarat.

- (9) "Scheduled Bank" means a bank included in the second schedule to the Reserve Bank of India Act, 1934;
- (10) "seasonal finance" means advancing of loan for the raising of crops during the ploughing seasons or later for ploughing, sowing, harrowing, weeding, harvesting, purchase of seeds, manure, or for such other purposes as may be prescribed, such loans being repayable on or before the next following Akhatrij;
- (11) words and expressions used but not defined in this Act shall have the same meanings as are assigned to them in the Saurashtra Land Reforms Act, 1951, and the Saurashtra Barkhali Abolition Act, 1931.

3. Savings :-

Save as otherwise expressly provided, nothing in this Act shall affect the debts and liabilities of a debtor falling under the following heads, namely-

- (a) any revenue or tax payable to Government or any other sum due to it in repayment of loan or otherwise;
- (b) any tax payable to the local authority or any other sum payable to such authority in repayment of loan or otherwise;
- (c) any sum due to the Saurashtra Central Co-operative Land Mortgage Bank Ltd., or any other co-operative bank or society;
- (d) any sum advanced solely for the purpose of seasonal finance;
- (e) any sum due under a decree or order for maintenance passed by a court or competent authority;
- (f) any sum due to a Scheduled Bank or the State Bank of Saurashtra or any State Bank of an integrating State amalgamated with the State Bank of Saurashtra;
- (g) debts due to a retailer, in respect of grocery goods and other supplies made to a debtor, upto a limit not exceeding rupees two hundred;
- (h) any sum recoverable by a Girasdar or a Barkhalidar or any person claiming through such Girasdar or Barkhalidar on account of rent or tagavi.

4. Application for adjustment of debts :-

- (1) Any debtor, ordinarily residing in any local area for which a Board has been constituted under Section 5 , or any of his creditors, may, within twelve months of the date of constitution of the Board, whichever is later, make an application to the Board for adjustment of debts.
- (2) Every application made under sub-section (1) shall be made in writing in the prescribed form and shall be signed, verified and presented in the prescribed manner.
- (3) Notwithstanding anything contained in Section 3 , an application made under this section shall contain the amounts and particular of all debts specified in that section.

5. Constitution of the Board :-

- (1) The Government shall constitute one or more Boards for the whole State or for specified local areas.
- (2) Every such Board shall consist of-
- (a) a Civil Judge, Senior Division, to whom applications may be, made under sub-section (1) of Section 4 in cases in which the total debts exceeds ten thousand rupees;
- (b) a Civil Judge, Junior Division, to whom applications may be made under sub-section (1) of Section 4 in cases in which the total debts do not exceed ten thousand rupees:

<u>6.</u> Every creditor and debtor to file a true and correct statement before the Board :-

- (1) Notwithstanding that no application has been filed under Section 4 -
- (a) every creditor on being required to do so by notice in writing by any of his debtors, shall, within two months from the date of the receipt of such notice, file before the Board a true and correct statement of all his claims against such debtor and shall at the same time send a copy thereof to such debtor, and
- (b) every debtor, on being required to do so by notice in writing by any of his creditors, shall, within two months from the date of

receipt of such notice, file before the Board a true and correct statement-

- (i) of all the debts owned by such debtors,
- (ii) whether he holds any land used for agricultural purposes and whether he has been cultivating the land personally and his income from agricultural and from sources other than agricultural in the year preceding the date of the notice,
- (iii) whether he held land as Girasdar or Barkhalidar his Girasdari or Barkhali Estate before the commencement of the Saurashtra Land Reforms Act, 1951, or the Saurashtra Barkhali Act, 1951, and whether in respect of the Estate or part of his Estate occupancy certificate is issued to a tenant and compensation is payable under Section 33 of the Saurashtra Land Reforms Act, 1951, or cash annuity is payable under section 18 of the Saurashtra Barkhali Abolition Act, 1951.
- (2) Every debtor or creditor giving a notice under sub-section (1) shall at the same time send a copy thereof to the Board.
- (3) In awarding the costs of any proceeding in respect of any application made under Section 4 , the Board may, on being satisfied that the statement required to be filed under sub-section (1) was, without sufficient cause, not filed within the time specified therein or within the period extended under the proviso to subsection (1), or incorrectly filed, direct the party in default to bear the whole or any portion of the costs of such proceeding.

7. Application by debtor jointly and severally liable :-

- (1) If the payment of debt due by a debtor is guaranteed by surety, or if a debtor is otherwise jointly and severally liable for any debt along with other person, and if the surety or such other person is not a debtor may make an application under Section 4 for relief in respect of such debt and the Board after consideration of the facts and circumstances of the case proceed with the adjustment of debts under this Act in so far as such applicant is concerned.
- (2) Whenever the debts due by a debtor which are guaranteed by a surety are adjusted under sub-section (1), the surety shall be discharged from liability in respect of the debts or portion of the debts of such debtor which are extinguished under sub-section (1)

of Section 14 , sub-section (3) of Section 16 , sub-section (5) of Section 24 , Section 32 or sub-section (2) of Section 33 , and the surety shall not be entitled to proceed against the debtor in respect of such debts or portion.

8. Assignee from non-debtor not entitled to benefit of this Act :-

No application shall lie under Section 4 for adjustment of any debt due from a debtor to whom such debt has been transferred or assigned after 1st Sept. 1951, by any person who is not himself a debtor.

<u>9.</u> Settlement during pendency of proceedings before the Board or the Court :-

Notwithstanding anything contained in the preceding sections, if during the pendency of proceedings before the Board or the Appellate or Revisional Court, as the case may be, a settlement is arrived at between a debtor and all his creditors and if the Board or such Court, on an application having been made to it in prescribed form within thirty days of the date of such settlement, is satisfied, after making such inquiry as it thinks fit, that the settlement has been made bonafide and for the benefit of the debtor acting voluntarily, the Board or such court may make an award in terms of such settlement, which shall be binding upon the debtor and all the creditors and shall not, save as otherwise hereinafter provided, be reopened.

10. Certain settlements not to be recognised :-

Any settlement of a debt from a debtor in terms of which an award has not been made under Section 9 shall not be recognised.

11. Withdrawal of applications :-

An application for adjustment of debts under Section 4, or an application under Section 9, shall not be withdrawn without the leave of the Board.

12. Consolidation of applications :-

- (1) Where two or more applications for adjustment of debts under Section 4 are presented by or against the same debtor, all such separate applications shall be consolidated. Where such separate applications are presented by or against joint debtors, all such applications shall be heard together.
- (2) Whereupon consolidation of applications made under subsection

(1) of Section 4 to a Board consisting of a Civil Judge, Junior Division, it found that the amount of debts against the same debtors exceeds Rs. 10,000, and such Civil Judge, Junior Division, is not competent to deal with such consolidated applications, all application shall be transferred to a competent Board consisting of a Civil Judge, Senior Division.

13. Service of notice on debtors and creditors to submit statement of debts:-

On receipts of an application for adjustment of debts, the Board shall-

- (a) give notice in the prescribed manner to the debtor (unless the debtor is himself an applicant) and to every creditor (other than the creditor who is himself an applicant) whose names and addresses are given in the application, and
- (b) publish a general notice requiring the debtor and all creditors to submit a statement in the prescribed form within one month from the date of the service of the notice or the publication of the general notice whichever is later: Provided that if the Board satisfied that the debtor or any creditor is for good and sufficient cause unable to comply with the notice within the time specified therein, it may extend the period for the submission of the statement.

14. Debt in respect of which no statement is submitted by creditor under section 13 shall be extinguished :-

- (1) Every debt due from a debtor in respect of which a statement is not submitted to the Board by the creditor in compliance with the provisions of Section 13 shall be extinguished.
- (2) Nothing in this section shall apply to any debt due from any person who has by declaration, act or omission intentionally caused or permitted his creditor to believe that he is not a debtor for purposes of this Act.

15. Duties of debtors and creditors :-

(1) Every debtor by or against whom an application is made under Section 4, or who is a party to an application made under Section 9, shall produce all books of accounts and shall give such inventories of his property and such lists of his creditors and of the debts due from and to him, submit to such examination in respect

of his property or his creditors, attend at such time before the Board and generally do all such things as may be required by the Board or as may be prescribed.

(2) It shall be the duty of every creditor to produce such books of accounts, to submit to such examination in respect of the debt due to him by the debtor and the securities held by him, as may be required by the Board, or as may be prescribed.

16. Preliminary issue :-

- (1) On the date fixed for the hearing of an application made under Section 4 of the Board decide the following point as a preliminary issue, viz. whether the person for the adjustment of those debts the application has been made is a debtor.
- (2) If the Board finds that such person is not a debtor, the Board shall dismiss the application forthwith: Provided that before the application is so dismissed the creditors or any of them may remit any specific portion of their claims so as to reduce the total amount of the debts of all the creditors due from such person on the date of application to a sum not exceeding Rs. 25,000. In such case, the Board shall not dismiss the application but shall proceed further with same.
- (3) The portion of the debts in respect of which the claim is remitted under sub-section (2) shall be extinguished.

Explanation.-For the purpose of this section, the expression "the date of the application" shall mean the date of an application which has been made within the period prescribed under Section 4, and where there are two or more applications made for adjustment of debts of the same debtor the date of last of such applications.

<u>17.</u> Transfer of pending suits appeals applications and proceedings to the Board :-

When an application for adjustment is made to a Board under Section 4 or a statement is submitted to the Board under Section 13 and such application of statement includes a debt in respect of which a suit, appeal, application is pending before a civil or a revenue court, the Board shall give notice thereof to such court. On receipt of such notice the court shall transfer the suit, appeal, application or proceeding, as the case may be, to the Board.

(2) If the Board, to which any suit, appeal, application or

proceeding is transferred under sub-section (1), decides the preliminary issue mentioned in sub-section (1) of Section 16 in the negative, it shall re-transfer the suit, appeal, application or proceeding to the court from which it has been transferred to itself, subject to the result of the appeal where an appeal is filed and after the expiry of the period prescribed for an appeal where no appeal is filed.

- (3) When any suit, appeal, application or proceeding is transferred to the Court under sub-section (2), the said court shall proceed with the same.
- (4) When such suit, appeal, application or proceeding involves the determination of any issue entirely unconnected with the adjustment of debts, the transfer of such suit, appeal, application or proceeding under this section shall not empower the Board to determine the said issue and the determination of such issue shall be made as if the transfer of suit, appeal, application or proceeding was not made under this section.
- (5) When any question arises regarding the validity of the transfer or re-transfer under this section of any suit, appeal, application or proceeding, or if any question arises whether any issue is or is not entirely connected with the adjustment of debts, the Board or the Court before which such question arises, if it is not the District Court, may refer the question for decision to the District Court. If such question arises before the District Court, the District Court itself will decide the same. The decision of the District Court in either case shall be final.

18. Taking accounts :-

If the Board finds the person making an application under Section 4 or the person against whom an application is made under the said Section 4 to be a debtor, the Board shall proceed to take accounts in the manner hereinafter provided.

19. Examination of creditor and debtor :-

In application for the adjustment of debts if the amount of the creditors' claim is disputed, the Board shall, when taking accounts, examine both the creditor and the debtor as witnesses unless, for reasons to be recorded, the Board deems it unnecessary so to do.

20. Mode of taking accounts :-

Notwithstanding any agreement between the parties, or the persons (if any) through whom they claim, as to allowing

compound interest or setting off the profits of mortgaged property without an account, in lieu of interest, or otherwise determining the manner of taking the accounts, and notwithstanding any statement or settlement of accounts or any contract purporting to close previous dealings and create a new obligation out of which the claim has arisen, the Board shall inquire into the history and merits of the case and take accounts between the parties from the commencement of the transactions subsisting between the parties and the persons (if any) through whom they claim and determine the amount due to each of the creditors at the date of the application made under Section 4 according to the following rules, namely-

(1)

- (a) separate accounts of principal and interest shall be taken;
- (b) in the account of principal, there shall be debited to the debtor only such money as may from time to time have been actually received by him or on his account from the creditor and the price of goods if any, sold to him by the creditor;
- (c) in the accounts of principal and interest there shall also be debited the amounts, if any, respectively due for principal (including costs) and interests under any decree or order passed by a competent court in respect of any debt:. Provided that if such decree or order does not specify the amount of principal and interest separately or does not contain any material for determining the same, two-third and one-third of the amount awarded by such decree or order shall, for purposes of this clause, be deemed to be the amount awarded on account of the principal (including cost) and interest, respectively.
- (2) In the account of interest, there shall be debited to the debtor simple interest on the balance of principal for the time being outstanding at the rate agreed upon between the parties, or at the rate allowed under any decree passed between the parties or at a rate not exceeding nine per cent on unsecured debts and six per cent on secured debts per minimum, whichever is the lowest.
- (3) All money paid by or on account of the debtor to the creditor or in his account, and all profits, service or other advantages of every description received by the creditor in the course of the transactions destimated, if necessary, at such money value as the

Board in its discretion may determine) shall be credited first in the account of interest, and when any payment is more than sufficient to discharge the balance of interest due at the rate specified in rule (2), the residue of such payment shall be credited to the debtor in the account of principal.

- (4) The accounts of principal and interest shall be made up to the date of the institution of the application and the aggregate of the balance, if any, appearing due on both such accounts against the debtor on that date shall be deemed to be the amount due at that date, except when the balance appearing due on the interest account exceeds that appearing due on the principal account, in which case, double the latter balance shall be deemed to be the amount then due: Provided that where the transaction between the have commenced more than 30 years before the 1st January, 1954 any settlement of accounts which has been last arrived at between the parties before the said period of 30 years and which is in writing and bears the signature of the debtor or the person through whom the liability is derived, shall be accepted as binding between the parties and no inquiry irtto the history and merits of the case shall be made prior to the date of such settlement.
- (5) Decretal debts not fully discharged may be re-examined in accordance with the above rules.
- (6) Where a debt is secured by anomalous mortgage in the nature of PURA-CHHOOT of immovable property, in which it is stipulated that the amount advanced is not to be repaid and that the debt .is to be extinguished at the end of the stipulated period, the amount advanced shall be reduced in such proportion as the period of enjoyment of such immovable property bears to the stipulated period. Such period of enjoyment shall end on Akhatrij following the date on which the debt is adjusted under this section or on the date of expiration of the stipulated period, whichever is earlier: Provided that in calculating the period of enjoyment of agricultural land, the year which is declared by Government to be a famine year or scarcity year for the local area in which such land is situated, shall be excluded, if the agreement between the parties expressly provides that famine year or scarcity year is not to be taken into account with calculating the stipulated period during which such mortgage is to subsist.

21. In certain cases rent may be charged in lieu of profits :-

Where any mortgaged property is in the possession of the mortgagee or his tenants other than the mortgagor and the Board is unable to determine what profits have actually been received, it shall fix fair rent equal to-

- (i) two and a half times the full assessment for the possession of profits, the mortgaged property in the years 1943 to 1953, and
- (ii) twice the full assessment for such possession in other years and shall charge to the mortgagee such rent as profits for the purpose of Section 20 .

Explanation.-In this section "full assessment" means full assessment leviable at the time when the Board fixes the fair rent.

22. Power of Board to declare a transfer to be in the nature of mortgage :-

- (1) Notwithstanding anything to the contrary contained in any law, custom or contract, whenever it is alleged during the course of the hearing of an application made under Section 4 that any transfer of land by a person whose debts are being adjusted under this Act, or any other person through whom he inherited it was a transfer in the nature of a mortgage, the Board shall declare the transfer to be a mortgage, if the Board is satisfied that the circumstances connected with that transfer showed it to in the nature of a mortgage.
- (2) Any agricultural labourer may make an application within twelve months from the date of the coming into force of this Act or within three months from the date of the constitution of the Board, whichever is later, to the Board that any transfer of land made after 15th April, 1948, by him or by any other person through whom he claims it, was a transfer in the nature of a mortgage. On hearing the application, the Board shall, notwithstanding anything to the contrary contained in any law, custom or contract, declare the transfer to be a mortgage, if it is satisfied that the circumstances connected with the transfer showed it to be in the nature of a mortgage. When the Board makes any such declaration, the applicant shall, notwithstanding anything contained in the definition of debtor in clause (6) of Section 2, be deemed to be a debtor for the purposes of this Act and the Board shall proceed as if an application under Section 4 had been made to it.

23. Provision of section 22 not to apply to certain transfers

and transferees :-

Nothing in Section 22 shall apply to :-

- (i) any transfer which has been finally adjudged to be a transfer other than a mortgage by a decree of a court of competent jurisdiction, and
- (ii) any bonafide transferee for value without notice of the real nature of such transfer or his representative when such transferee or representative holds under a registered deed.

24. Notice to Collector, Co-operative Societies, Registrar, local authorities and others:

On receipt of an application for adjustment of debts, the Board shall give notice to the Collector, requiring him to state to the Board within such time as may be fixed by it the amount of the debt due by the debtor to Government.

- (2) The Board shall also give similar notice to any local authority, co-operative society, scheduled bank, the Saurashtra Central Co-operative Mortgage Bank Ltd. or the State Bank of Saurashtra to which any debt may be due by the debtor, and also to any person who is entitled to maintenance from the debtor under a decree or order passed by a court or a competent authority, or who is a creditor in respect of debts specified in clause (d), (g) and (h) of Section 2 . In the case of any debt due to a co-operative society, the Board shall also give notice to the Registrar, Co-operative Societies, or to such officer as the Registrar may nominate in this behalf.
- (3) On receipt of such notice the Collector, the local authority, the co-operative society or the scheduled bank or other persons mentioned in sub-section (2), as the case may be, shall within such time as may be fixed by the Board from time to time submit a statement to the Board showing the total amount of debt due by the debtor as also any recurring liability against such debtor in respect of the liability for maintenance under the decree or order.
- (4) The Collector, the local authority, the co-operative society, the scheduled bank, the Saurashtra Co-operative Land Mortgage Bank, Ltd. or the State Bank of Saurashtra shall also furnish a statement to the Bank showing the amount of remission which the Government or such bodies are willing to give in respect of the debt.

(5) The portion of any debt remitted under sub-section (4), and unless the Board otherwise directs any debt or portion thereof in respect of which no statement is submitted under sub-section (3), shall be extinguished.

<u>25.</u> Boards duty to determine particulars, value etc. of property:-

After taking accounts under Section 20 the Board shall, in the manner hereinafter provided, determine-

- (1) the particulars of the property belonging to the debtor;
- (2) the value of the said property;
- (3) the particulars of any encumbrances on the said property; and
- (4) the paying capacity of the debtor.

26. Fraudulent alienations or encumbrances void :-

If in the course of the healing of an application made under Section 4 , the Board finds that the debtor has made an alienation of property or created any encumbrance thereon with intent to defeat or delay any of his creditors, the Board shall, by notice, summon the debtor and the person in whose favour the alienation or encumbrance is made or created to appear before it on a day to be specified in the notice.

- (2) On the day specified in the notice or such other day to which the hearing may be adjourned, the Board shall hear the parties and record evidence as may be produced, and if it is satisfied that the alienation was made or the encumbrance was created with intent to defeat or delay any of the creditors of the debtor, the Board shall declare the alienation or encumbrance to be invalid.
- (3) Nothing in this section shall impair the rights of transferee in good faith and for valuable consideration.

<u>27.</u> Value of property of debtor to be determined by Board in prescribed manner :-

(1) Subject to the provisions of sub-sections (2), (3), (4) and (5), the value of the property and other assets of a debtor for the purposes of ascertaining the paying capacity of the debtor under Section 28 shall be determined by the Board in the prescribed manner.

- (2) The property and assets specified in the schedule annexed to this Act shall not be taken into account;
- (3) The amount of the debts mentioned in Section 3 shall be deducted.
- (4) The value of agricultural land in respect of which on restriction regarding its transfer exists shall be thirty times the full assessment leviable for the time being on such land.
- (5) The market value of the land which, under any law for the time being in force, are not transferable or alienable except with the previous sanction of the Collector or the Government, shall be calculated in such manner as may be prescribed.

28. Paying capacity :-

The paying capacity of the debtor shall, for the purposes of this Act, be deemed to be sixty per cent of the value of all the property of the debtor: Provided that when any portion of such property yields income but the market value of such portion cannot be determined, the value of such portion shall be the amount of the income capitalized at four percent per annum. Explanation.-For the purposes of this section, the word 'property' shall include-

- (a) in the case of a Girasdar-
- (i) six times the assessment payable to him under S. 28 of the Saurashtra Land Reforms Act, 1951, and
- (ii) the compensation amount and the rehabilitation grant payable to him under Section 33 of the Saurashtra Land Reforms Act, 1951 and Section 428 of the Code of Criminal Procedure, 1973, respectively, of the Saurashtra Land Reforms Act, 1951, valued at four per cent per annum;
- (b) in the case of a Barkhalidar, cash annuity payable to him under section 18 of the Saurashtra Barkhali Abolition Act, 1951, valued at 4 per cent per annum.

29. Debts payable by debtors to be scaled down :-

- (1) Notwithstanding any law, custom, contract, award or decree of a court to the contrary, the amounts found due under Section 20 from a debtor shall be scaled down in the manner hereinafter provided.
- (2) If all the debts found due by a debtor after taking accounts

under Section 20 are unsecured, such debts shall be scaled down pro rata to the paying capacity of the debtor.

- (3) If all the debts found due by a debtor after taking accounts under Section 20 are secured debts, and the total amount of such debts is more than sixty per cent of the value of the property belonging to the debtor, such debts shall be scaled down pro rata to the paying capacity of the debtor.
- (4) If all the debts found due by a debtor after taking accounts under Section 20 are both secured and unsecured, and if the total amount of secured debts is more than sixty per cent of the value of the property on which debts are secured, the debts shall be scaled down pro rata to sixty per cent of the value of the property on which such debts are secured and the unsecured debts shall be further scaled down pro rata to sixty per cent of value of the other property belonging to the debtor over which no debts are secured. Explanation.-For the purpose of this section, debts in respect of which a charge is created on the amount of compensation under Section 37 of the Saurashtra Land Reforms Act, 1951, or on the amount of cash annuity under section 14 of the Saurashtra Barkhali Abolition Act, 1951, shall be considered as secured debts.

30. Award :-

- (1) After determining the amount of debts scaled down in the manner provided in Section 29 , the Board shall, save as otherwise provided in Section 31 , make an award.
- (2) The award shall be in the prescribed form and shall be drawn up subject to the following provisions :-
- (i) the amount of secured debts scaled down shall be charged on the properties on which they have been secured;
- (ii) subject to sub-clause (i) the amount of unsecured debt shall be charged on all the properties of the debtor;
- (iii) in fixing the priority in which debts shall be paid the following order shall be followed:-
- (a) debts due to Government which are charged on the immovable property belonging to the debtor or which are recoverable as the current year's land revenue;
- (b) debts due to local authorities, which are charged on the

immovable property belonging to the debtor or which are recoverable as the current year's dues;

- (c) loans given by resource societies or by persons authorised by Government to advance loans for seasonal finance, if any;
- (d) secured debts in order of priority; Explanation.-For the purposes of this clause 'secured debts' shall include debts in respect of which a charge is created on the amount of compensation under S.37 of Saurashtra Land Reforms Act, 1951, or on the amount of cash annuity under section 14 of the Saurashtra Barkhali Abolition Act, 1951;
- (e) debts due to Government, local authorities and other local bodies, including the Saurashtra Central Co-operative Land Mortgage Bank Ltd., or any other Co-operative Bank or Societies, the State Bank of Saurashtra and any Schedule Bank, and recoverable as arrears of land revenue;
- (f) other debts due to the Saurashtra Central Co-operative Land Mortgage Bank Ltd., or any other Co-operative Bank or Society, to a Scheduled Bank and the State Bank of Saurashtra;
- (g) any sum due under a decree or order of maintenance passed by a court or competent authority;
- (h) debts due to a retailer in respect of grocery goods and other supplies made to a debtor, upto a limit not exceeding rupees two hundred.
- (i) any sum recoverable by a Girasdar or a Barkhalidar or any person claiming through such Girasdar or Barkhalidar on account of rent or taqavi;
- (j) other unsecured debts, provided that such unsecured debts shall be paid pro rata;
- (iv) The total annual installment shall not exceed eighteen: Provided that in fixing the amount of installment in which the debts shall be paid the Board shall ascertain the net annual income of the debtor, and the annual installments payable by the debtor shall not exceed his net annual income: Provided further that while making the payment of annual installment, Girasdar or a Barkhalidar shall be allowed to retain himself an amount not less than 40 per cent of the amount of compensation, rehabilitation grant or cash annuity, a sthe case may be, as is payable to him annually under the

provisions of the Saurashtra Land Reforms Act, 1951, or the Saurashtra Barkhali Abolition Act, 1951. Explanation.-For the purposes of this clause, the net annual income of debtor shall mean the balance of his annual income after deducting-(i) such sum as may be considered necessary for the payment against the liability, if any, imposed on the debtor under a decree or order for maintenance passed by a competent court or authority (ii) such sum as may be considered necessary for the maintenance of the debtor and his dependents, and (iii) the sum required by the debtor to pay the assessment and taxes in respect of the current year to Government and to local authorities and to pay off loans borrowed for the purpose of seasonal finance;

- (v) the Board may pass an order for delivery of possession of any property, notwithstanding any law or contract to the contrary;
- (vi) the rate of interest shall be four percent per annum or the rate agreed upon between the parties when the debt was originally incurred or the rate allowed by the decree in respect of such debt, whichever is lower.

31. Board to prepare scheme for adjustment of debts through Saurashtra Central Co-operative Land Mortgage Bank, Ltd:

- (1) Where the amounts of the debts of the debtors as scaled down under Section 29 by the Board exceeds half the value of the debtor's immovable property as determined by it, the Board shall intimate to the creditors the amount of the said debts of the debtor and the said value of the debtor's immovable property and call upon them to state in writing within a specified time not exceeding one month whether they agree to further scaling down of the said debts so as to reduce them to a sum not exceeding half the said value of the immovable property of the debtor. If a majority in number and three-fourth in value of all the creditors agree to the further scaling down of the debts, the Board shall make an order directing the debtor to pay the amount of such debts so agreed upon within a period one month from the date of the order.
- (2) Unless the debtor pays the amount of such debts within a period one month from the date of the order, or such extended period not exceeding one month as the Board may allow, and produces the creditor's receipt therefore, the Board shall prepare a scheme embodying the terms of an award to be passed under this

section for adjustment of the debts and shall send the scheme to the Saurashtra Central Co-operative Land Mortgage Bank) Ltd., for acceptance within a period of two months from the date of receipt by it of the scheme. If the Saurashtra Central co- operative Land Mortgage Bank, Ltd., agrees to accept the scheme, or does not inform the Board within the period of the said two months that it does not agree to accept the scheme, the Board shall make an award in the prescribed form directing that the Saurashtra Central Co-operative Land Mortgage Bank, Ltd., shall pay the creditors the debt as finally scaled down, in bonds issued the Central Co-operative Land Mortgage Bank, Ltd., such bonds being guaranteed by the Government for such amount in full satisfaction of all the debts due to them from the debtor. The board shall further direct that such amount shall be charged on all the immovable property of the debtor.

- (3) The Bank shall be entitled to recover the amount due to it from the debtor in such annual installments as may be fixed by the Board. The amount of principal shall carry and be recoverable together with interest at such rate not exceeding six per cent per annum as the Government may notify in this behalf in the Official Gazette from time to time.
- (4) All sums due under an award made in favour of the Bank under this section shall be recoverable as arrears of land revenue: Provided that any application for the recovery of such sums shall be made to the Collector and shall be accompanied by a certificate signed by the Board, to the effect that the said sums are due under an award under this Act in favour of the Bank and are recoverable as arrears of land revenue. Explanation.-For the purposes of this section six times the assessment, the compensation amounts and rehabilitation grants payable to a Girasdar under Section 28, Section 33(2) and Section 42 respectively, under the Saurashtra Land Reforms Act, 1951, and the cash annuity payable to a Barkhalidar under section 18 of the Saurashtra Barkhali Abolition Act, 1951, shall be deemed to be immovable property.

32. No recovery of amounts of excess of debts scaled down :-

The amount of debts scaled down under Section 29 or further scaled down under Section 31 shall, for the purpose of this Act, be the amount due by the debtor in respect of the said debts and portion of the debts in excess of this amount shall be extinguished.

33. Debts not to be scaled down in case of collusion :-

If the Board making an award under Section 30 is at any stage of the proceeding satisfied-

- (1) that the debtor had in collusion with any creditor furnished in such proceeding information in respect of the debt due by him to such creditor with view to defeating the lawful claims of any other creditor, the Board may refuse to scale down any of the debts of such debtor in the manner provided in Section 29 and may make an award for the full amount of the debts due from such debtor.
- (2) that any claim by a creditor in such proceeding had been put forward in collusion between the debtor and such creditor with a view to defeating the lawful claims of any other creditor, the Board shall order that the debt due by the debtor to such creditor shall be extinguished and such debt shall not be recoverable.

34. Ex-parte proceedings if any party does not appear :-

- (1) Notwithstanding that the person for the adjustment of whose debts and application has been made under Section 4, or any of his creditors does not appear on the date fixed for the hearing of the application or on any date to which it may adjourned, the Board shall proceed ex-parte to hear the application, decide the preliminary issue and, if necessary, make the award on the evidence available.
- (2) When an application made under Section 4 is heard and disposed of ex-parte under sub-section (1), the decision on the preliminary issue or the award shall not except for sufficient reasons be re-opened merely on the ground that any of the parties thereto did not appear at the hearing.

35. Re-opening of the award and re-adjustment of debts :-

If, after an award is made under Section 30 , the Board finds on an application made to it by any party or otherwise, that the debtor has other property which was not disclosed to the Board when the award was made, or that any property included in the award did not belong to the debtor, the Board may, notwithstanding contained in this Act, re-open the award and readjust the debt in accordance with the provisions of this Act; provided that where the Board is satisfied that the non-disclosure of such property was in consequence of any fraud on the part of the debtors the Board in revising the award shall not give the debtor the benefit of Section 30 .

36. Award to be registered how executed :-

- (1) Every award made under this Act (if it is in respect of debt charged on the properties of the debtors) shall, on payment of the court fees payable under Section 42, be registered in the manner provided in Chapter III.
- (2) The court fee on the award shall be paid by the party ordered by the court to bear the cost: Provided that any creditor who is not ordered to bear the costs may pay such court fee. Such creditor shall be entitled to recover the amount of court fee paid by him from the debtor with the first installment payable to him under the award: Provided further that no court fee shall be payable by a Cooperative Society.
- (3) The award shall be executed as follows:-
- (i) if the debtor makes default in the payment of any installment due under the award to any creditor, such creditor may apply in prescribed form to the Board for execution of the award;
- (ii) if the Board on receipt of such application is satisfied that the debtor has made default in the payment of the installment, the Board shall transfer the award for execution to the Collector and thereupon Collector shall recover the amount of the installment from the debtor as arrears of land revenue: Provided that nothing in clauses (i) and (ii) shall affect the right of Government, a local authority, or a Co-operative Society or the Central Co-operative Land Mortgage Bank or the State Bank of Saurashtra to have recourse to any mode of recovery allowable by any law for the time being in force.
- (iii) If the Board has passed an order for the delivery of possession of property under clause (v) of sub-section (2) of Section 30 , such order shall on the application be executed by the Board as if it were a decree passed by it.

37. Postponement of payment of installment in case of remissions etc:

Whenever from any cause the payment of one half or more of the land revenue payable to the Government is suspended or remitted, the payment of the whole of the installment due for that year and the full amount of the installment due for each subsequent year, by a debtor other than a Girasdar or a Barkhalidar, under an award

made under Section 9 , Section 30 or Section 31 , shall be postponed for one year, and in the case of a debtor who is a Girasdar or a Barkhalidar, such amount of installment may be postponed to such extent and in such manner as Government may, by special or general order, direct.

(2) Whenever from any cause the payment of any portion less than one half of the land revenue payable to the Government is suspended or remitted, one half of the amount of the installment for that year and the full amount of the installment due for each subsequent year, payable by a debtor other than a Girasdar or a Barkhalidar under an award made under Section 9, Section 30 or Section 31 shall be postponed for one year.

38. No alienation by debtor before discharge of debts valid :-

Notwithstanding any law or contract, but subject to the provisions of Section 39 and Section 58, no alienation of any property belonging to the debtor who is a party to any proceedings or award under this Act, made by him before all his debts are discharged, shall be valid, except an alienation made with the previous sanction of the Government.

39. Board may order sale of debtors property in liquidation of his debts :-

If the Board or the court hearing an appeal against an award is at any time satisfied that it is in the interest of the debtor that any part of his property, should be sold in liquidation of his debt or part thereof, such Board or court may permit the debtor to sell such part of the property for such purpose within a specified period. If the debtor fails so to sell it, such Board or court may order an officer of the Board to sell the same. The property ordered to be sold under this section shall be sold by such officer in the manner prescribed: Provided that the part of the property ordered to be sold under this section shall not exceed the part liable to be sold under sub-section (2) of Section 51.

40. Pleaders etc. excluded from appearance :-

Except in proceedings under Section 22 and Section 26 no pleader shall be entitled to appear on behalf of any party in any proceeding before the Board or the court in appeal under this Act: Provided that the Board or the court in appeal in the interest of justice for reasons to be recorded in writing may allow the parties to be represented at their own cost by a pleader: Provided further that

pleader's fees shall not be allowed as part of the costs for the appearance of a pleader in any proceeding under Act: Provided also that if any officer of Government is appointed or declared by a competent court, or is authorised, under any law for the time being in force, as guardian, administrator or manager of the property of a person who is under a legal disability, or is incompetent or unable to manage or to act, such officer shall be entitled to appear through a representative authorised by him in writing in this behalf in any proceedings before the Board or the court in appeal. Such representative may also submit any application and otherwise act on behalf of the officer in any such proceedings.

41. Appeals :-

Notwithstanding anything contained in any other law:-

- (1) an appeal shall lie-
- (i) from every order passed under Section 9;
- (ii) from every order passed under Section 16;
- (iii) from every order passed under Section 22;
- (iv) from every order passed under Section 26;
- (v) from every order passed under sub-section (1) of Section 34;
- (vi) from every award made under this Act, other than an award made under Section 9 or an award made under Section 31, before the making of which the creditor's agreement has been obtained under sub-section (1) thereof, or an award before the making of which neither the debtor nor any of the creditors produced evidence to enable the Board to determine the amount of debt due from the debtor;
- (vii) from an order made under Section 51 adjudicating the debtor an insolvent: Provided that no appeal shall lie from such order except on the ground that the insolvent has failed to disclose all the material facts relating to his assets and liabilities.
- (2) An appeal from any award or decision of the Board from which an appeal is provided by this Act shall lie to the District Court. Such appeal shall be filed within sixty days from the date of award or decision, as the case may be. In computing this period of sixty days, the provision contained in S.4 of the Indian Press (Emergency Powers) Act, 1931, S.5 of the Banking Regulation Act, 1949 and

section 12 of the Indian Limitation Act, 1908, shall so far as may be, apply.

(3) No second appeal shall lie against any decision, order or award of the Board under this Act.

42. Court fees :-

- (1) Notwithstanding anything contained in the Court Fees Act, 1870 as adapted and applied to the State of Saurashtra, court fees payable in respect of proceedings under this Act shall be at the following rates:-
- (i) on an application under sub-section (1) of Section 4 or Section 9 or an award under Section 9 Re. 1;
- (ii) on an award other than an award specified in clause (i) Re. 1 for every hundred rupees, or part thereof, of the award, subject to a maximum of Rs. 50;
- (iii) on an appeal against an order of the Board under Section 9 or sub-section (2) of Section 16 Rs.2;
- (iv) on an appeal other than an appeal specified in clause (iii) Re. 1 for every hundred rupees, or part thereof, of the amount the award, subject to a maximum of Rs. 50.
- (2) Notwithstanding anything contained in any law, the court fee payable in respect of proceedings under this Act shall be a first charge on the property of the party ordered to pay costs and shall be recoverable in such manner as may be prescribed.

43. Notice how served :-

Any notice required to be served under this Act shall be served in the manner provided in the Code of Civil Procedure, 1908; and when rules are made in that behalf, in such manner as may be prescribed.

44. Provisions of Civil Procedure Code to apply to proceedings:-

Save as otherwise expressly provided in this Act, the provisions of the Code of Civil Procedure, 1908, shall apply to all proceedings under this Chapter.

CHAPTER 3

Registration of awards

45. Debt adjustment register and index :-

In all registration offices a book called "register of debt adjustment award" and an index relating thereto shall be kept. The book and index shall be kept in such form and shall contain such particulars as may be prescribed.

46. Board to send awards and memorandums to Registrars and Sub- Registrars :-

It shall be the duty of the Board making an award to send to the Sub-Registrars of the sub-district in which the property which is the subject matter of the award or any part thereof is situated; or if there is no Sub-Registrar for the area to the Registrar of the district in which the property or any part thereof is situate, a certified copy of the award after court fee has been paid thereon in accordance with the provisions of Section 42 together with a memorandum containing such particulars as the Government may prescribe.

47. Notice of appeals to Registrars :-

If a party files an appeal against an award under Section 41 , it shall be the duty of the court in which the appeal is filed to send to the Sub-Registrar of the sub-district in which the Board against whose decision the appeal is filed is situated, or if there is no Sub-Registrar to the Registrar of the district, a notice regarding the institution of the appeal.

48. Registration :-

After the expiry of the period provided for an appeal against the award, if no appeal is filed, or, if appeal is filed, after the disposal of such appeal, the Sub-Registrar or the Registrar, as the case may be, shall register the award in the register of debts adjustment awards and shall also enter particulars in the index kept under section 45.

49. Notice of awards :-

Any person acquiring any property or any part of, or any share or interest in, the property of a debtor for adjustment of whose debts an award has been made shall be deemed to have notice of the award as from the date of the registration under this chapter.

50. Application of Indian Registration Act :-

Except as herein provided, the provisions of the Indian Registration Act, 1908, shall mutates mutandis apply to the registration of awards, and the words and expressions used in this Chapter, but not defined in this Act, shall have the meaning assigned to them in the Indian Registration Act, 1908.

<u>51.</u> Board to declare debtor insolvent in certain circumstances:-

- (1) If at any stage of the proceedings under Chapter II, the Board finds that the income of the debtor and his movable property are not sufficient to allow his debts to be liquidated by annual installments not exceeding 18 in number, the Board may make an order adjudicating the debtor an insolvent: Provided that if the Board is satisfied that it would not be necessary to adjudicate the debtor an insolvent if a portion of his holding in excess of one economic holding is sold and the sale proceeds are applied to any scheme for adjustment of his debts with his creditors, the Board may, after making such inquiry as it deems fit about the scheme, order such portion of his holding to be sold as directed by the Board and for application of the sale proceeds in accordance with the scheme.
- (2) After a debtor has been adjudicated an insolvent, the Board shall direct that such portion of the property of the debtor liable to attachment and shall under Section 60 of the Code of Civil 1908 , excluding such portion thereof as the Procedure, Government shall, from time to time, notify in the Official Gazette as the minimum necessary for the maintenance of the debtor and his dependents, as may be required to liquidate all the debts of the debtor, shall immediately be sold free of all encumbrances in against liquidation of all debts outstanding such Explanation. -For the purposes of this section six times the assessment, the compensation amount and rehabilitation grants payable to a Girasdar under Section 28, Section 33(2) and Section 42 , respectively, of the Saurashtra Land Reforms Act, 1951, and the cash annuity payable to a Barkhalidar under section 18 of the Saurashtra Barkhali Abolition Act, 1951, shall be deemed to be immovable property.

52. Procedure in insolvency proceedings :-

The order of adjudication made under Section 51 shall have the force of an order made by a competent court in the exercise of its power under Section 27 of the Provincial Insolvency Act, 1920.

53. Distribution of assets of insolvent :-

The proceeds realised by the sale of the property of the insolvent

under Section 51 shall be distributed in the order of priority specified in clause (iii) of sub-section (2) of Section 30.

54. Bar to application in insolvency in other courts :-

No application or proceeding in regard to the insolvency of a debtor shall be dealt with by any other court.

55. Appeal barred :-

Save as provided by sub-clause (vii) of clause (i) of Section 41, no appeal shall lie from any order passed under this Chapter.

CHAPTER 5
Miscellaneous

56. Bar of civil suits or proceedings :-

Except as otherwise provided by this Act and notwithstanding anything contained in any other law, no civil court shall entertain or proceed with any suit or proceeding in respect of-

- (i) any matter pending before the Board under this Act, or
- (ii) the validity of any procedure or the legality of any award, order or decision of the Board constituted under Section 4 of this Act, or
- (iii) the recovery of any debt made payable under such award.

<u>57.</u> Period of proceeding before Board or court under this Act to be excluded :-

in computing the period of limitation for the institution of any suit or proceeding in respect of any debt due from any person who is held not to be a debtor by the Board or the court in appeal or an application relating to which has been dismissed by the Board or court in appeal, the period during which the proceedings in respect of such debts were pending before the Board or the court in appeal shall be excluded.

58. Alienation of standing crops etc. before repayment of loan prohibited :-

(1) No person, who is or was a party to any proceedings or award under this Act and who is indebted to a resource society or any person authorised to advance loans under Section 59 of this Act on account of any loan advanced to him for seasonal finance under this Act, shall hypothecate or sell the standing crops or produce of his land without the previous permission of the society or of the person, as the case may be, until such loan has been repaid in full.

- (2) Any person who hypothecates or sells the standing crop or the produce of his land in contravention of sub-section (1) shall, on conviction, be punished with imprisonment for a term which may extend to six months or with fine which may extend to Rs. 500.
- (3) No criminal court shall take cognizance of any offence under this section except on the complaint in writing of the Board before which the proceedings were held or which made the award.

<u>59.</u> Power of Government to authorise any person to advance loans to debtors :-

- (1) The Government or any officer empowered by it may, by notification in the Official Gazette, authorise in any local area any person to advance loans to debtors who are parties to any proceeding under this Act or in respect of whose debts an adjustment has been made under this Act.
- (2) Such authority shall be granted on such condition as may be prescribed.

60. Rules :-

- (1) The Government may, by notification in the Official Gazette and subject to the condition of previous publication from time to time, make rules for carrying into effect the purposes of this Act.
- (2) In particular and without prejudice to the generality of foregoing power, such rules may provide for all or any of the following matters namely-
- (a) the purposes for which loans may be advanced under clause (10) of Section 2;
- (b) the form of application under sub-section (2) of Section 4 and the manner of signing, verification and presentation thereof.
- (c) the form of application under Section 9;
- (d) the manner of giving notice and publication of general notice and the form of statement to be submitted under Section 13;
- (e) the inventories of property, list of creditors and of debtor and of debts due to and from a debtor, the examination in respect of property of all creditors, the time at which the debtors shall attend before the Board and to other things in relation to property under sub-section (1) of Section 15 and the production of books of

account, the examination to be submitted to, and the information to be supplied by, a creditor in respect of the debt due to him by the debtor under sub-section (2) of Section 15;

- (f) the manner of determining the value of property and other assets under sub-section (1) and the manner of calculating the market value of the lands under sub-section (5) of Section 27;
- (g) the form of award under sub-section (2) of Section 30 and sub-section (2) of Section 31;
- (h) the form of application under clause (i) of sub-section (3) of Section 36;
- (i) the manner in which property may sold under Section 39;
- (j) the manner of recovery of court fees under sub-section (2) of Section 42;
- (k) the manner of service of notice under Section 43;
- (I) the form of and the particulars to be included in the register of debt adjustment awards and the index kept under Section 45;
- (m) the particulars to be included in the memorandum under section;
- (n) the conditions on which authority to grant loans shall be granted under sub-section (2) of Section 59.

61. Repeal :-

The Saurashtra Attachment of Agricultural Debtors' Property (Temporary Exemption) Act, 1954 is hereby repealed.

(2) If immediately before the day on which this Act comes into force, there is in force in any of the territories of the State of Saurashtra any law of the Covenanting States or merged Talukas and Estates, as respects matters covered by this Act, such law shall stand repealed.

SCHEDULE 1
SCHEDULE

\\\[See Section 27] (i) The necessary wearing-apparel, cooking vessels beds and bedding of the debtor, his wife and children, and such personal ornaments as, in accordance with religious usage cannot be parted with by woman; (ii) tool of artisans, and implements of husbandry and such cattle and seed-grain as may, in the opinion of the Board, be necessary to enable him to earn his livelihood as such and such portion of agricultural

produce or any class of agricultural produce as the Government may declare by a notification in the Official Gazette to be exempted from attachment; (iii) houses and other buildings (with the materials and the sites therefore and the land immediately appurtenant thereto and necessary for their employment) belonging to the debtor occupied by him; (iv) a mere right to sue for damages; (v) any right of personal service; (vi) stipends and gratuities allowed to pensioners of the Government or payable out of any service family pension fund, notified in the Official Gazette by the Central Government or the Government of Bombay or the Government of Gujarat in this behalf, and political pensions; (vii) the wages of labourers and domestic servants, whether payable in money or in kind; and salary to the extent of the first hundred rupees and one-half the remainder of such salary; (viii) the salary of any public officer or of any servant of a railway company or local authority, to the extent of the first hundred rupees and one-half the remainder of such salary; (ix) the pay and allowances of person who are in service as members of the Armed Forces of the Union; (x) all compulsory deposits and other sums in or derived from, any fund to which the Provident Fund Act, 1925, for the time being applies, in so far as they are declared by the said Act not to be liable to attachment; (xi) any allowances forming part of the emoluments of a public officer or of any servant of a railway company or local authority which the appropriate Government may, by notification in the Official Gazette, to be exempt from attachment and any subsistence grant or allowance made to any such officer or servant while under suspension; (xii) an expectancy of succession by survivorship or other merely contingent or possible right of interest; (xiii) a right to future maintenance; (xiv) any allowance declared by law for the time being in force to be exempt from attachment or sale in execution of a decree; and (xv) any movable property which, under any law for the time being in force, is exempt from sale for the recovery of an arrear of land revenue. Explanatioft.-1. In clauses (vii) and (viii), "salary" means the total monthly emoluments, excluding an allowance declared exempt from attachment under the provisions of clause (xi), derived by a person from his employment whether on duty or on leave. Explanation.-2. In clause (xi) "appropriate Government" means- (i) as respect any public officer in the services of the Central Government, or any servant of a railway as defined in clause (20) of Article 366 of the constitution, or of a cantonment authority of a major port, the Central Government; and (ii) as respects any other public officer or a servant of any other railway or local authority, the State Government.