

## **KARNATAKA AGRICULTURAL DEBTORS RELIEF RULES, 1969**

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## **KARNATAKA AGRICULTURAL DEBTORS RELIEF RULES, 1969**

In exercise of the powers conferred by Section 63 of the Karnataka Agricultural Debtors Relief Act, 1966 (Mysore Act 29 of 1966), the Government of Karnataka hereby makes the following rules, the draft of the same having been previously published in Notification No. GSR 3 (No. DPC 128 CBA 66), dated the 28th December, 1967 in Part IV, Section 2-C(i) of the Karnataka Gazette, dated the 28th December, 1967 as required by sub-section (1) of the said section, namely:

### **1. Title :-**

These rules may be called the Karnataka Agricultural Debtors Relief

Rules, 1969.

## **2. Definitions :-**

In these rules, the content otherwise requires.

- (a) "Act" means the Karnataka Agricultural Debtors Relief Act, 1966;
- (b) "Code" means the Code of Civil Procedure, 1908;
- (c) "Form" means a form appended to these rules;
- (d) "Government" means the Government of Karnataka;
- (e) "Section" means a section of the Act.

## **3. Financing of Crops for other purposes :-**

Loans may be advanced for the "financing of crops" for the following other purposes also.

- (i) Meeting Labour charges;
- (ii) Meeting Transport charges;
- (iii) Purchase of fodder;
- (iv) Intercultivating;
- (v) Threshing;
- (vi) Hire or purchase of plough, cattle and agricultural implements;
- (vii) Maintenance of the debtor and his dependents and of his cattle and repairs to agricultural implements;
- (viii) Meeting current expenses of running agricultural machinery like pumps or engines, including fuel charges; and such other purpose in respect of any particular area in any particular year as may have been certified by Government to be necessary for the purpose of raising or harvesting any crop in that year.

## **4. Seasonal finance :-**

The advancing of loans for the following purposes shall be deemed to be seasonal finances, namely.

- (i) Raising of crops during the ploughing season or later, ploughing, sowing, harrowing, weeding, harvesting, purchase of seeds and manure;
- (ii) Labour charges;

- (iii) Transport charges;
- (iv) Purchase of fodder;
- (v) Intercultivating;
- (vi) Threshing;
- (vii) Hire or purchase of plough, cattle and agricultural implements;
- (viii) Maintenance of the debtor and his dependents and of his cattle and repairs to agricultural implements;
- (xi) Current expenses of running agricultural machinery e.g., pumps or engines, including fuel charges;

**5. Applications under sub-section (1) of Section 4 and sub-section (1) of Section 8. :-**

Application by the debtor or the creditor under sub-section (1) of Section 4 shall be in Forms 1 and 2 as the case may be, and applications under sub-section (1) of Section 8 shall be in Form 3. They shall be presented to the Court during office hours by the applicants personally or shall be sent by registered post addressed to the Presiding Officer of the Court.

**6. Manner of Publication of General notice under Section 14 :-**

The general notice under clause (b) of Section 14 shall be published by affixing copies of it at the offices of the Court concerned and the Tahsildars of Taluks or the Revenue Inspectors of the Hoblies concerned. Such notice shall state that the list of debtors, who have made applications for adjustment of debts or against whom applications have been made, will be available for inspection at all reasonable times in the Court.

**7. Form of statement under Section 14 :-**

The statement which a debtor or creditor is required to submit under Section 14 shall be in Form 4 or 5 as the case may be.

**8. Manner of Determining the value of debtors Property under subsection (1) of Section 28 :-**

For the purposes of sub-section (1) of Section 28, the value of the debtor's movable and immovable property shall be determined by the Court in the manner specified below.

- (i) Immoveable Property. The Court shall determine the value of any immovable property by taking into consideration.

(a) the bona fide sales and leases of the property in question during the preceding twelve years;

(b) the bona fide sales and leases of similar properties in the neighbourhood during the preceding twelve years; and

(c) the valuation of the property in question made by the Land Valuation Officers appointed by Government in this behalf.

(ii) Moveable Property. The Court shall determine the value of moveable property by taking into consideration the valuation of the property in question made by the Land Valuation Officers appointed by Government in this behalf and also by questioning the parties concerned and by making such other inquiries as it may think fit.

(iii) The land valuation officers appointed by Government may be appointed by the Court as Commissioners under Order XXVI in Schedule I to the Code of Civil Procedure, 1908, for the purpose of making an inquiry for determination of the value of debtor's moveable and immoveable property.

**9. Manner of Determining the Market value of Debtors Property under sub-section (4) of Section 28 :-**

For the purpose of sub-section (4) of Section 28, the market value of the lands of a debtor which under any law for the time being in force are not transferable or alienable except with the previous sanction of the Deputy Commissioner or the State Government shall be determined by the Court by taking into consideration.

(a) the bona fide sales and leases of the lands in question during the preceding twelve years, if any; and

(b) the bona fide sales and leases of similar lands in the neighbourhood during the preceding twelve years; and after ascertaining the valuation of the lands in question from the Tahasildar of the Taluk or the Revenue Inspector of the Hobli concerned.

**10. Forms of award etc. :-**

(1) The award under Section 31 shall be in Form 6 and the award sub-section (2) of Section 32 shall be in Form 7.

(2) The Court shall send a copy of the award passed under sub-section (2) of Section 32 to the primary Land Mortgage Bank concerned or the Karnataka Central Co-operative Land

Development Bank Limited, as the case may be.

**11. Certification of Court under proviso to Section 32(4) :-**

(1) An application for a certificate of the Court under the proviso to sub- section (4) of Section 32 shall be in Form 8 and shall be presented by the Secretary of the Primary Land Mortgage Bank or of the Karnataka Central Co-operative Land Development Bank Limited, as the case may be, to the Court concerned during the office hours personally or sent by registered post addressed to the Court. Every such application shall be received by the Civil Judge or by such person as may be authorised in this behalf by him to receive it.

(2) On receipt of such application the Court shall, after making such inquiry as it deems fit, issue the requisite certificate in favour of the Bank.

**12. Form of application under clause (i) of Section 38 :-**

An application under clause (i) of Section 38 shall be in Form 9.

**13. Procedure when a debtors property is ordered to be sold under Section 41 or sub-section (3) of Section 54 :-**

(1) Every sale of property, whether moveable or immoveable under Section 41 or sub-section (3) of Section 54 shall be held by an officer of the Court in accordance with the procedure laid down for the sale of such property under the Code.

(2) A certificate in Form 10 shall be issued to the purchaser of property by the officer conducting the sale under this rule.

**14. Recovery of Court-fees :-**

The Court-fees payable under sub-section (1) of Section 44 shall be recovered as arrears of land revenue.

**15. Form of Register of Debt Adjustment Awards and Index :-**

The Register of Debt Adjustment awards in the form of a file book with numbered butts in Form 11 and an Index relating thereto in Forms 11-A and 11-B shall be kept in all registration offices.

**16. Form of Memorandum :-**

The memorandum to be sent by the Court under Section 48 shall be in the Form 12 and shall be endorsed and certified copy of the award sent for registration under the said section.

**17. Procedure in Code to be followed generally :-**

In respect of any matter for which no provision is made in the Act or these rules, the procedure laid down in the Code shall, so far as may be, be followed by the Court in the proceedings before it.

**18. Conditions subject to which authorised persons may advance loans :-**

The authorisation under Section 61 to advance loans to debtors shall be subject to the following conditions namely.

(1) The authorised person shall not advance loans to debtor except for the purpose of seasonal finance, not exceeding the maximum limits fixed by the Deputy Commissioner under Rule 19.

(2) The authorised person shall not knowingly advance any loan to any debtor who had previously taken a loan from another authorised person unless such previous loan has been fully paid or unless he (the authorised person) agrees to discharge the liability of the debtor in respect of such previous loan.

(3) The authorised person shall not unreasonably withhold permission required by a debtor under sub-section (1) of Section 62 for sale of the standing crops or the produce of his land and if the authorised person himself buys the crops or produce he shall pay the debtor the price thereof at the market rate.

(4) The authorised person shall keep regularly in Form 13 a separate account of each loan advanced to a debtor:

Provided that where the loans to any debtor are advanced on a current account, the authorised person may keep an account of all transactions relating to such loans.

Explanation. For the purposes of this clause the term "Current account" includes, in the case of banks, accounts relating to overdrafts, cash credits and pro-note accounts which are maintained in the form of current accounts.

(5) The authorised person shall, within one month after the expiry of every year supply every debtor a full and correct statement of accounts signed by him or his agent. Such statement of accounts shall show all transactions entered into during the year and the balance outstanding on account of each loan on such date as the Government may specify either generally or for a particular area and shall be in Form 14:

Provided that where the loans are advanced on a current account, it shall be sufficient to furnish particulars of the balance due on the whole of such account on the prescribed date. In the case of banks, the requirements of this clause shall be deemed to have been complied with it a full statement of accounts has been supplied to the debtor by means of a pass-book or otherwise from time to time throughout the year and intimation is given within one month after the expiry of the year of the amount of the balance remaining due on the prescribed date.

(6) The statement of accounts shall be furnished to the debtors by registered post and an acknowledgement obtained thereof at the cost of the authorised person.

(7) If any repayment is made in respect of a loan, interest on such loan shall be calculated upto the date of such repayment; and if the loan or any part of it is outstanding, interest shall thereafter be calculated only on the balance of the principal still outstanding.

(8) The authorised persons, unless specially exempted by Government, shall allow such officer as may be appointed in this behalf by Government to inspect the account maintained by him.

(9) The State Government may in its discretion cancel the authority granted by it for breach of any of the foregoing conditions or for any other reason.

**19. Deputy Commissioner to fix maximum limits upto which advance may be made :-**

The Deputy Commissioner, shall, by notification in the Official Gazette fix maximum limits upto which persons authorised under Section 61 may advance loans to debtors, who are parties to any proceedings under the Act or in respect of whose debts an adjustment has been made under the Act for seasonal finance once a year. Such limits shall come into force from the 1st day of the month next to that in which the notification is published by the Deputy Commissioner and shall remain in force till the end of the month in which a fresh notification is published by the Deputy Commissioner in the next year. Such limits may be fixed separately for different crops and for different areas, having regard to the seasons and nature and productivity of crops.

**20. State Government to fix maximum rates of interest :-**

The State Government shall, from time to time, by notification in the Official Gazette, fix a rate of interest not exceeding six per

cent, per annum, at which loans for seasonal finance may be advanced by persons authorised under Section 61.