

**KARNATAKA LAND IMPROVEMENT LOANS ACT, 1963****16 of 1963**

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STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 16 OF 1963 Karnataka Gazette, dated 2-3-1961 At present different laws are in force in the different areas of the State relating to the grant of loans by Government for improvement of agricultural land. It is considered necessary to have an uniform law on the subject applicable to the whole of the new State of Karnataka. Hence this Bill. In addition to the provisions found in the existing law, provision has been made in the Bill prohibiting the utilisation of loan for a purpose other than that for which it is granted. The furnishing of any untrue information in any application for grant of loan and the utilisation of the loans for any purpose other than that for which it is granted has also been made punishable.

**1. Short title, extent and commencement :-**

(1) This Act may be called the Karnataka Land Improvement Loans

Act, 1963.

(2) It extends to the whole of the State of Karnataka.

(3) It shall come into force on such date as the State Government may, by notification in the official Gazette, appoint.

## **2. Definitions :-**

In this Act, unless the context otherwise requires.

(a) "Deputy Commissioner" means such officer as the State Government may by notification appoint to perform the functions of a Deputy Commissioner under this Act in such area as may be specified in the notification, and if no such officer is appointed, the Deputy Commissioner of the district;

(b) "Improvement" means any work which adds to the letting value of land, and includes the following, namely.

(i) the construction of wells, tanks and other works for the storage, supply or distribution of water for the purposes of agriculture, or for the use of men and cattle employed in agriculture;

(ii) the preparation of land for irrigation;

(iii) the drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes or wasteland which is cultivable;

(iv) the reclamation, clearance, enclosure or permanent improvement of land for agricultural purposes;

(v) the renewal or reconstruction of any of the foregoing works, or alterations therein or additions thereto; and

(vi) such other works as the State Government may, from time to time, by notification in the Official Gazette, declare to be improvements for the purposes of this Act;

(c) "Prescribed" means prescribed by rules under this Act.

## **3. Purpose for which loans may be granted under this Act :-**

Subject to such rules as may be prescribed, loans may be granted under this Act, by the prescribed officer for the purpose of making any improvement, to any person having a right to make that improvement.

## **4. Application for grant of loans :-**

Every application for grant of loan under this Act shall be in writing and shall contain true information regarding the particulars to be furnished in such application.

**5. Prohibition of utilisation of loan for purposes other than that for which it is granted :-**

No person who has been granted a loan under this Act shall utilise the amount for a purpose other than that for which it was granted.

**6. Period for repayment of loans :-**

Every loan granted under this Act shall be repayable in instalments (in the form of an annuity or otherwise), within such period from the date of the actual advance of the loan, or, when the loan is advanced in instalments, from the date of the advance of the last instalment actually paid as may be prescribed and such period shall not exceed twenty-five years.

**7. Recovery of loans :-**

The loan granted under this Act, together with interest payable thereon, and costs, if any, incurred in granting or recovering the same shall be recoverable at the discretion of the Deputy Commissioner in any one or more of the following modes, namely.

(a) from the borrower, as if they were arrears of land revenue due by him;

(b) from his surety, if any, as if they were arrears of land revenue due by him;

(c) out of the land for the benefit of which the loan has been granted, as if they were arrears of land revenue due in respect of that land;

(d) out of the assests left by a deceased borrower or surety; or out of the property comprised in the collateral security, if any, according to the procedure for the realisation of land revenue by the sale of the defaulter's immovable property other than the land on which that revenue is due:

Provided that no proceeding in respect of any land under Clause (c) shall affect any interest in that land which existed before the date of the order granting the loan other than the interest of the borrower, and of mortgagees of, or persons having charges on, that interest.

**8. Order granting loan conclusive on certain points :-**

A written order under the hand of an officer empowered to make loans under this Act, granting a loan to a person mentioned therein for the purpose of carrying out a work described therein, for the benefit of land specified therein, shall, for the purposes of this Act, be conclusive evidence.

(a) that the work described is an improvement within the meaning of this Act;

(b) that the person mentioned had at the date of the order a right to make such an improvement; and

(c) that the improvement is one benefiting the land specified.

**9. Liability of joint borrowers as among themselves :-**

When a loan is granted under this Act to the members of a village community or to any other persons on such terms that all of them are jointly and severally bound to the State 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 by each of them and by the officer making the order, that statement shall be conclusive evidence of the portion of that amount which among themselves each of those persons is bound to contribute.

**10. Power to make rules :-**

(1) The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for.

(a) the manner of making applications for loans;

(b) the officers by whom loans may be granted;

(c) the manner of conducting inquiries in respect of applications for loans, and the powers exercisable by officers conducting such inquiries;

(d) the nature of the security to be taken for the due application and repayment of the loan;

(e) the rate of interest at which, and the conditions under which, loans may be granted, and the manner and time of granting of

loans;

(f) the inspection of works for which loans have been granted;

(g) the instalments by which, and the mode in which, loans, the interest to be charged on them, and the costs incurred in the granting thereof, shall be paid;

(h) the manner of keeping and auditing the accounts in respect of loans granted and recovered.

(3) Every rule made under this section shall be laid as soon as may be after it is made, before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**11. Penalty :-**

Whoever knowingly furnishes any untrue information in any application under Section 4 or contravenes the provisions of Section 5, shall, on conviction, be punished with fine which may extend to one hundred rupees.

**12. Repeal and savings :-**

The Land Improvement Loans Act, 1883 (Central Act XIX of 1883), as in force in the Bombay Area, the Madras Area and Coorg District, the Karnataka Land Improvement Loans Act, 1890 (Mysore Act IV of 1890), as in force in the Mysore Area, and the Hyderabad Land Improvement Loans Act, 1950 (Hyderabad Act III of 1950), as in force in the Hyderabad Area, are hereby repealed:

Provided that the provisions of Section 6 of the Mysore General Clauses Act, 1899 (Mysore Act III of 1899), shall be applicable in respect of the repeal of the said enactments and Sections 8 and 24 of the said Act shall be applicable as if the said enactments had been repealed and re-enacted by this Act.