

**Madhya Pradesh Anusuchit Jati Tatha Anusuchit Janjati  
(Rini Sahayata) Adhiniyam, 1967**

**12 of 1967**

**[02 May 1967]**

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**Madhya Pradesh Anusuchit Jati Tatha Anusuchit Janjati  
(Rini Sahayata) Adhiniyam, 1967**

**12 of 1967**

**[02 May 1967]**

An Act to make provision for the relief of indebtedness of members of Scheduled Castes and Schedule Tribes.] Be it enacted by the Madhya Pradesh Legislature in the Eighteenth year of the Republic of India as follows: 1. Subs. by M.P. Act No. 33 of 1972. 2. Received the assent of the President on the 2nd May, 1967, assent first published in the Madhya Pradesh Gazette, Extraordinary, on the 3rd May, 1967. 3. Ins. by M.P. Act No. 33 of 1972.

**1. Short Title, Extent And Commencement :-**

(1) This Act may be called The Madhya Pradesh 1[Anusuchit Jati Tatha Anusuchit Janjati] (Rini Sahayata) Adhiniyam, 1967.

(2) It extends to the whole of Madhya Pradesh.

(3) 1[In its application to the member of the Scheduled Tribes, it] shall come into force--

(a) in the Scheduled Areas, on the date on which the Madhya Pradesh Scheduled Tribes Debt Relief Regulations, 1962, in force therein are repealed; and

(b) in other areas, at once.

1[(4) In its application to the members of the Scheduled Castes, it shall come into force on such date as the State Government may, by notification appoint.]

]

1. Inserted by M.P. Act No. 33 of 1972.

**2. Definitions :-**

In this Act, unless the context otherwise requires--

1[(1) "appointed date" means--

(i) in regard to members of Scheduled Castes the date appointed under sub-section (4) of Section 1; and

(ii) In regard to members of Scheduled Tribes.]

- (a) in relation to the Scheduled areas, the date on which the Madhya Pradesh Scheduled Tribes Debt Relief Regulations, 1962 in force therein are repealed; and
- (b) in relation to other area, the 15th March, 1967;
- (2) "Bank" means a banking company as defined in Section 5 of the Banking Regulation Act, 1949 (X of 1949) and includes the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955), a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959) and any other financial institution as the State Government may, by notification, specify in this behalf;
- (3) "Creditor" means a person to whom a debt is owing and "debtor" means 2[a member of a Scheduled Caste or a Scheduled Tribe, as the case may be,] whom such debt is owed;
- (4) "Defer includes--
- (i) all liabilities owing to a creditor in cash, or in kind secured or unsecured payable under a decree or order of a Civil Court or otherwise, and subsisting on the appointed date whether due or not due;
- (ii) arrears of wages or salary subsisting on the appointed date;
- (5) "Interest" includes the return to be made over and above the principal, whether the same is charged or sought to be recovered specifically by way of interest or otherwise and whether or not such interest is capitalized;
- 2[(5-a) "Member of a Scheduled Caste" means a member of any caste, race or tribe or part of or group within a caste, race or tribe specified as Scheduled Caste with respect to the State of Madhya Pradesh under Article 341 of the Constitution of India.]
- (6) "Member of a Scheduled Tribe" means a member of any tribe, tribal community or part of or group within a tribe or tribal community specified as such with respect to the State of Madhya Pradesh under Article 342 of the Constitution of India.
- (7) "Principal" means the actual advance made to a debtor whether in cash or kind;
- (8) "Regulations" means the Madhya Pradesh Scheduled Tribes Debt Relief Regulations, 1962;
- (9) "Scheduled Area" means any area declared to be Scheduled Area within the State of Madhya Pradesh under paragraph 6 of the Fifth Schedule to the Constitution of India;
- (10) "Secured Debt" means a debt subsisting on the appointed date, whether due or not due, and secured by mortgage of or charge on the immovable property or by pawn or pledge of

movable property of the debtor;

(11) The words and expressions used in this Act but not defined shall have the meaning assigned to them in the Code of Civil Procedure, 1908 (V of 1908).

1. Inserted by M.P. Act No. 33 of 1972.

2. Substituted by M.P. Act No. 33 of 1972.

### **3. Bar Of Application And Saving :-**

When this Act comes into force in any Scheduled Area--

(a) nothing contained in this Act, shall--

(i) apply to debts including all liabilities owing to any person in cash or kind, secured or unsecured, payable under decree or order of a Civil Court or otherwise whether due or not due and arrears of wages or salary, where such debts, liabilities or arrears were not subsisting on the appointed date;

(ii) revive the claim of any credit or which was discharged in accordance with the provisions of the Regulations and was not subsequently revived in accordance with the said provisions;

(b) all things done and all actions taken under the Regulations in such area shall be deemed to have been done or taken under the relevant provisions of this Act, as if those provisions were in force on the date on which such things were done or actions were taken.

### **4. Establishment Of Debt Relief Courts :-**

(1) The State Government may, by notification, establish such number of Debt Relief Courts in the State as it may deem fit to establish.

(2) The State Government shall appoint a Revenue Officer not below the rank of a Deputy Collector to be the presiding officer of a Debt Relief Court.

(3) The Debt Relief Court shall have such territorial jurisdiction as may be specified in the notification under sub-section (1).

### **5. Debt Relief Inspectors :-**

(1) The State Government may, by notification, appoint as many persons as it thinks fit to be Debt Relief Inspectors.

(2) A Debt Relief Inspector appointed under sub-section (1) shall exercise jurisdiction within such local area or areas as may, from time to time, be assigned to him by the State Government.

(3) A Debt Relief Inspector shall exercise such powers and perform

such functions as are conferred or imposed upon him by or under this Act.

## **6. Inapplicability Of The Act In Certain Cases :-**

The provisions of this Act shall not apply to the claims due in respect of--

- (a) any liability in respect of any sum due to any co-operative society registered under any law relating to the Co-operative Societies for the time being in force;
- (b) land revenue or any sum recoverable as an arrear of land revenue;
- (c) tax, toll, rates, cess, fees or any other duty payable to Government or a local authority under any enactment for the time being in force;
- (d) such amount as may be found due to an assignee of proprietary rights of a tenant on account of rent at rates approved by the Government.
- (e) any liability arising out of a breach of trust;
- (f) any liability due to a bank, or any corporation incorporated under any law for the time being in force which provides credit facilities <sup>1</sup>[to members of the Scheduled Castes or Scheduled Tribes, as the case may be];
- (g) any liability of a guardian arising out of misapplication or misappropriation of the property of his ward;
- (h) any liability in respect of maintenance whether under decree of Court or otherwise;
- (i) any money for the recovery of which a suit is barred by limitation.

1. Substituted by M.P. Act No. 33 of 1972.

## **7. Consequences Which Shall Ensur On Coming Into Force Of The Act :-**

(1) As from the appointed date, the following consequences shall ensue, namely:

- (i) No Civil Court having jurisdiction shall entertain any suit or proceeding against a debtor for the recovery of his debt;
- (ii) All proceedings in execution of any decree for money or proceeding for making final any preliminary decree for foreclosure or sale or proceedings in execution of any final decree for sale against a debtor for the recovery of his debt shall stand withdrawn and all property of a debtor under attachment in any such

proceeding shall forthwith be released;

(iii) Every debtor in detention in a civil prison in execution of any decree for money passed against him by a Civil Court in respect of a debt shall forthwith be released.

(2) If, on the appointed date any suit or proceeding of the nature specified in sub-section (1) is pending before any such Civil Court, the Civil Court shall issue a direction to the plaintiff to submit the claim in respect of such debt before the Debt Relief Court having jurisdiction over the area within a period not exceeding sixty days as may be specified in such direction.

(3) If the plaintiff fails to comply with the direction of the Court under sub-section (2) within the period specified by it, the suit or proceeding, as the case may be, shall stand dismissed and every claim contained therein shall be deemed for all purposes and all occasions, to have been discharged as against the debtor:

Provided that if the plaintiff files a statement of claim within a further period of thirty days from the date of the expiry of the period specified in the direction issued under sub-section (2) and satisfies the Court that he was for good and sufficient cause unable to submit the same within the period specified in the order, the Court may, on such terms and conditions as it may deem fit revive the claim.

## **8. Application By Creditor To Debt Relief Court :-**

(1) As from the appointed date, every creditor shall file a separate application in respect of each of his debtor praying for the determination of the debts due to him along with three spare copies thereof before such Debt Relief Court as may be specified by the State Government by notification in this behalf.

(2) The application under sub-section (1) may be filed in person or by duly authorised agent or by registered post acknowledgement due. Such application shall contain the particulars specified in sub-section (7) and shall notwithstanding anything contained in the Limitation Act, 1963 (6 of 1963), be filed within sixty days of the establishment of the Debt Relief Court concerned:

Provided that in any Scheduled Area where a Debt Relief Court was established before the appointed date, the period of sixty days for filing application in respect of debts which have come into existence during the period between the date of commencement of the Regulations and the appointed date, shall be counted from the appointed date:

1[Provided further that in any area where a Debt Relief Court was established before the date appointed under sub-section (4) of Section 1, the period of sixty days for filing application in respect of debts owed by a member of Scheduled Caste shall be counted from the aforesaid date.]

(3) Notwithstanding the provisions of sub-sections (1) and (2), a debtor may apply to the Debt Relief Court within whose jurisdiction he owns land, ordinarily resides or earns his livelihood within sixty days of the establishment of the said Court, for the determination of the establishment of the said Court, for the determination of his debts giving out the names and full addresses of all his creditors and on receipt of such application the Court shall issue notice in the prescribed form to each creditor named therein that in case he failed to submit an application as required by sub-section (1) in respect of the said debtor within thirty days from the date of the notice, all debts due to him from the said debtor shall stand discharged:

1[Provided that in any area where a Debt Relief Court was established before the date appointed under sub-section (4) of Section 1, the period of sixty days for filing an application by a debtor belonging to Scheduled Caste shall be counted from the aforesaid date.]

(4) Every claim of a creditor against his debtor which is not submitted within the time specified in sub-section (2) or sub-section (3) shall be deemed for all purposes and all occasions to have been discharged against the debtor:

Provided that if a creditor files an application within a further period of thirty days from the date on which 2[the period of sixty days specified in sub-section (3)], had expired and satisfies the Debt Relief Court that he was for good and sufficient cause unable to file the same within the period specified, the Court may on such terms and conditions as it may deem fit, revive the claim.

(5) Every creditor shall, along with the application filed under sub-section (1) produce the documents in his possession or control on which he bases his claim and a full and true statement of accounts of all previous transactions between him and his debtor leading to the claim and his account books or copies thereof, if any, in his possession or control:

Provided that where in a claim pending before the Debt Relief Court on the appointed date in a Scheduled Area the creditor has not produced the aforesaid documents alongwith his application for determination of debt, he may, within the period of fifteen days

from such date, or within such further period as the Court may allow, produce such documents.

(6) If any creditor fails to produce the documents, statement of accounts, his account books or copies thereof in accordance with the provisions of sub-section (5), the Debt Relief Court may dismiss the application and declare such claims to be discharged for all purposes and all occasions against such debtor.

3[(6-A) Whenever claim of creditor shall be deemed to have been or is discharged under sub-section (4), or sub-section (6), as the case may be the Debt Relief Court shall, in case the debt is secured by mortgage of or charge upon any immovable property of a debtor or by pawn or pledge of any movable property of the debtor, pass an order against the creditor for redelivery of immovable property or, as the case may be, for return of movable property pawned or pledged, and if for any reason the security is lost or deteriorates or is destroyed, for payment to debtor of money value thereof and the said Court, shall, without prejudice to exercise of any power under Section 11 be entitled to pass such other incidental orders, including an order for payment of mesne profits, reasonable interest and costs, as it may having regard to the circumstances of the case, deem fit.]

(7) Every application to be submitted to a Debt Relief Court under sub-section (2) shall contain the following particulars and shall be signed and verified by the creditor in accordance with Order VI, Rule 15 of the Code of Civil Procedure, 1908 (V of 1908)--

(a) a statement that the debtor is a member of Scheduled Caste or Scheduled Tribe, as the case may be, and the creditor intends to apply to the Debt Relief Court for his debts against him;

(b) the place where he had and the debtors own, land, ordinarily reside or reside or earn their livelihood, carry on business or personally work for gain;

(c) a statement of all claims outstanding against the debtor including those under Section 6 as nearly as may be ascertainable;

(d) such other particulars as may be prescribed.

1. Inserted by M.P. Act No. 33 of 1972.

2. Substituted by M.P. Act No. 33 of 1972.

3. Inserted by M.P. Act No. 23 of 1984.

## **9. Consolidation Of Claims :-**

On the expiry of ninety days after the establishment of the Debt Relief Court, the Court receiving the applications under Section 8



shall consolidate all the claims against a particular debtor in one case and if such debtor owns land, ordinarily resides or earns livelihood within its jurisdiction shall proceed to deal with it, otherwise it shall transfer the same to such Debt Relief Court within the jurisdiction of which the debtor owns land, ordinarily resides or earns his livelihood, for disposal:

Provided that in respect of debts 1[to which the proviso to sub-section (2) of Section 8 apply,] the period of ninety days shall be counted from the appointed date.

1. Substituted by M.P. Act No. 33 of 1972.

### **10. Procedure Of Debt Relief Court Dealing With Claim :-**

The Debt Relief Court dealing the claim under Section 8 shall--

- (i) pass an order fixing a date of hearing;
- (ii) cause notice of the date of hearing together with a copy of the application to be served on all the creditors of the debtor, and the debtor; and
- (iii) cause copies of such notice and application to be affixed to the Court.

### **11. Application Of Code Of Civil Procedure To Debt Relief Court :-**

(1) The Debt Relief Court, in regard to proceedings under this Act shall so far as is practicable have the same powers and shall follow the same procedure as it would have and if it were a Court of original and civil Jurisdiction and subject to the provisions of this Act shall have the same powers as are vested in Civil Court under the Code of Civil Procedure, 1908 (V of 1908), when trying a suit and in particular in respect of the following matters namely:

- (a) joining any necessary or proper parties;
  - (b) summoning and enforcing the attendance of any person and examining him on oath;
  - (c) compelling the production of documents;
  - (d) issuing commission for the examination of witnesses; and
  - (e) proof of facts by affidavits or oral evidence.
- (2) Subject to the provisions of this Act, the Debt Relief Court may inspect any site or examine any witness on commission.

### **12. Appearance Before Debt Relief Court :-**

- (1) No legal practitioner shall appear, plead or act, on behalf of any

party, in any proceeding before the Debt Relief Court.

(2) The parties to any proceeding before the Debt Relief Court shall appear either personally or with the permission of the Court, through any other person who shall be a relative, partner, or a servant of such party and duly authorised by it in writing in this behalf:

Provided that the debtor may, with the permission of the Debt Relief Court, authorise or the Debt Relief Court may direct a Debt Relief Inspector to appear and act on behalf of the debtor in any proceedings before such Court.

### **13. Powers Of Debt Relief Court To Require Proof Of Validity And Subsisting Character Of Debts :-**

On the day fixed for the hearing of the case or on any subsequent day to which the hearing may be adjourned, the Debt Relief Court shall require proof of the validity and subsisting character of the debt.

### **14. Calculation Of Interest And Reduction Of Principal In All Transactions :-**

(1) The Debt Relief Court shall, notwithstanding anything contained in any other enactment for the time being in force, reopen all transactions made 1[34 years before the last transaction or before the 1st January 1964 in relation to members of Scheduled Tribes and before the 1st January 1966 in relation to members of Scheduled Castes] whichever is earlier and, as far as may be, ascertained in respect of each debt the amount of principal actually paid to the debtor and the date on which it was originally advanced. It shall, notwithstanding the provisions of any agreement or law to the contrary, calculate the interest due in accordance with the rate specified in the First Schedule or such lower rate of interest as may have been agreed upon between parties. It shall also determine the amount of principal, if any, of each debt which would have remained unpaid if the calculation of interest had been made as herein provided:

Provided that where any sum is payable under a labour agreement or service bond, the Debt Relief Court shall, after equitable adjustment of the remuneration of the labour rendered by the debtor from the date of the agreement or bond, determine the debt due by the debtor.

Explanation.--

(a) "Labour agreement" or "service bond" means an agreement in writing or otherwise where in consideration for the performance of manual labour for a continuous period of one month by any person is included and includes an advance exceeding the equivalent of one months fair and equitable remuneration made or to be made to such person or at his request to some one else and the interest, if any, on such advance.

1[(b) "fair and equitable remuneration" means such amount as the State Government may, after taking into consideration the rates of wages prevailing at the relevant time in similar employment, by notification, fix.

(2) Notwithstanding anything contained in any other enactment for the time being in force, no Debt Relief Court shall recognise any labour agreement or service bond entered into by a debtor after the appointed date.

(3) Where the principal was borrowed in cash with an agreement to repay it in kind, the Debt Relief Court shall, notwithstanding such agreement, agree to the debtor repaying the debt in cash, after deducting the value of all payments made by the debtor in kind at the rate, if any, stipulated in such agreement, or at the market rate prevailing at the time of each payment, whichever is higher.

2[(4) If the Debt Relief Court finds that the loan was originally advanced to a member of Scheduled Tribe prior to 1st January, 1964 or to a member of Scheduled Caste prior to the 1st January, 1966 then it shall reduce the principal determined under sub-section (1) in accordance with Part A of the Second Schedule in respect of loans advanced to a member of Scheduled Tribe and in accordance with Part B of the said Schedule in respect of loans advanced to a member of Scheduled Caste.]

(5) Notwithstanding anything contained in any law for the time being in force, no Debt Relief Court shall, in respect of any debt to which this Act applies, award on account of arrears of interest a sum greater than the principal of the loan as determined under sub-section (1).

(6) If the Debt Relief Court finds that nothing is due to the creditor, it shall pass an order discharging the debt with costs.

(7) If the Debt Relief Court finds that the creditor has been paid in excess of the amount due to him by the debtor, it shall pass necessary order directing the creditor to refund the excess amount to the debtor in such manner as it may determine.

(8) If in the case of a secured loan, the Court is satisfied that the loan advanced on a pawned article has been paid in full and

nothing is due to the creditor, it shall 2[pass an appropriate order under sub-section (8-A)].

3[(8-A) The Court in all cases of secured loan under this section shall where it finds that nothing is due to the creditor, order him to redeliver possession of immovable property, or, as the case may be, to return movable property pawned or pledged, and if for any reason the security is lost, or deteriorates or is destroyed, to pay to the debtor such money value as he may be entitled therefore, and the said Court shall, without prejudice to exercise of any power under Section 11, be entitled to pass such other incidental orders, including an order for payment of mesne profits, reasonable interest and costs, as it may have regard to the circumstances of the case, deem fit].

(9) Nothing in this section shall be construed as empowering a Debt Relief Court to re-open any debt in respect of which a scheme of repayment has already been prepared by such a Court under the Regulations before the appointed date.

1. Substituted by M.P. Act No. 33 of 1972.
2. Substituted by M.P. Act No. 23 of 1984.
3. Inserted by M.P. Act No. 23 of 1984.

#### **14A. Debt Relief Court To Pass Further Order In Certain Cases :-**

1[Where claim of a creditor against his debtor shall be deemed to have been or is discharged under sub-section (4) or sub-section (6) of Section 8, as the case may be, but no order for redelivery of possession of immovable property or for return of movable property pawned or pledged has been made by the Debt Relief Court or where Debt Relief Court in the case of any secured loan has not passed any order for redelivery to debtor of possession of immovable property which was mortgaged or charged, under sub-section (8) of Section 14, the debtor may apply within one year of the commencement of the Madhya Pradesh Anusuchit Jati Tatha Anusuchit Janjati Rini Sahayata (Sanshodhan Tatha Vidhimanya Karan) Adhiniyam, 1984, make an application in writing to the Debt Relief Court for retransfer of possession of immovable property or, as the case may be, for return of movable property pawned or pledged and thereupon such Court, notwithstanding anything in Section 22 or any decision or order of the Collector in revision or of any Court in any other legal proceeding, may after giving an opportunity to the creditor of being heard proceed to pass an order under sub-section (6-A) of section 8 or, as the case may be, under sub-section (8-A) of Section 14:

Provided that the State Government may for mitigating hardship to members of Scheduled Castes or Scheduled Tribes, extend the period of limitation by one year by an order notified in that behalf, where it considers it necessary or expedient so to do.

(2) In relation to final order of the Debt Relief Court passed on an application referred to in sub-section (1) the Collector may exercise revisional jurisdiction and the provisions of Section 22 shall apply mutatis mutandis to such proceedings in revision.]

1. Inserted by M.P. Act No. 23 of 1984.

## **15. Preparation Of A Scheme Of Repayment And Transfer Of Debtors Property :-**

(1) When the amount due has been determined under Section 14, the Debt Relief Court shall, after taking into account liability of the debtor in respect of the claims referred to in Section 6, prepare a scheme of repayment of the debtors debt.

(2) If the debtor has transferable property which he is willing to transfer to enable him to repay the whole or any part of sub-section (3), the Debt Relief Court may sanction such transfer on such conditions as it may think necessary to impose in order to safeguard the rights of the creditor including those to whom any liability under Section 6 is due and may grant such reasonable time as is necessary for the debtor to transfer such property:

Provided that when there is any mortgage, lien or charge upon the property, such sanction shall only be given upon terms which will ensure that such mortgage, lien or charge shall subsist to such extent as sufficient to safeguard the interest of the secured creditor:

Provided further that when a transfer has been agreed to before the Debt Relief Court by the parties to the proceedings, and either party fails to complete the transaction within a period of sixty days, the Court may take action, as far as may be, under Order XXI, Rule 32 of the Code of Civil Procedure, 1908 (V of 1908).

(3) No transfer shall be sanctioned--

(i) of land belonging to a debtor in favour of a person who is not a member of the Scheduled Tribe;

(ii) in respect of such personal property of the debtor as is exempt from attachment under Section 60 of the Code of Civil Procedure, 1908 (V 1908); and

(iii) in respect of standing crops.

(4) If after the transfer of property, if any, under sub-section (2), the debt as determined under Section 14, has not been satisfied, the Debt Relief Court shall fix instalments for the repayments of the remaining debt in such manner as may be prescribed and may in case of default order payment of simple interest at a rate not exceeding four per cent if the debt is unsecured and three per cent if it is secured:

Provided that in fixing instalments the Debt Relief Court shall have regard to the extent of the transferable property in the possession of the debtor, and his paying capacity to be determined in accordance with the rules made in this behalf.

## **16. Provisions Governing Payment Of Instalments :-**

(1) Every instalment shall be payable on or before the date fixed by the order of the Debt Relief Court and this may, at the option of the debtor be paid either to the Collector or to such other Revenue Officer as he may authorise in this behalf or to the creditor who shall pass a receipt therefor in such form as may be prescribed.

(2) When the land revenue or rent, as the case may be, is suspended or remitted, in whole or in part, in respect of any area the instalment payable by every debtor whose land is situate within such area, shall, whether such debtor is liable to pay land revenue under the Madhya Pradesh Land Revenue Code, 1959 (20 of 1959) in respect of such land, be suspended and shall become payable one year after the last of the remaining instalments. No interest shall be charged on such suspended instalments for the period it remains suspended.

## **17. Provisions When Default Made In Payment Of Instalments :-**

(1) If any instalment is not paid on or before the due date, the creditor may apply, within eighteen months from the date of default to the Collector within whose jurisdiction the debtor owns land, ordinarily resides or earns his livelihood or to such other Revenue Officer as may be appointed in this behalf by the State Government, for the recovery of such instalment as an arrear of land revenue, and thereupon the Collector or such other Revenue Officer shall recover such instalment as an arrear of land revenue.

(2) If the instalment or part thereof is irrecoverable, the Collector or other Revenue Officer may certify accordingly.

(3) If an instalment or part thereof is certified as irrecoverable under sub-section (2) or if two consecutive instalments remain in arrears, the Collector, on the application of the creditor shall pass an order that the order of the Debt Relief Court fixing instalments shall cease to have effect, and he may fix such smaller instalments for the remaining debt and in such manner as he thinks fit:

Provided that if an instalment or part thereof or if two consecutive instalments so fixed by the Collector again remain in arrears the balance remaining due shall be recoverable as if a decree and in case of a mortgage lien or charge, as if a final decree, had been passed by a Court of Civil jurisdiction.

(4) If an instalment is recoverable as an arrear of land revenue, the

Collector, or other Revenue Officer shall, as far as may follow the procedure laid down for the time being in force, for the recovery of Government dues as arrears of land revenue.

### **18. Application Of Sums Recovered Under Section 17 :-**

When the Collector or other Revenue Officer recovers any sum under sub-section (1) of Section 17, he shall, in the first instance, apply to sum realised from the sale of any immovable property other than his cultivating land, to the amount payable on account of the debt which is secured by a mortgage or lien on such property in accordance with the provisions of the Transfer of Property Act, 1882 (IV of 1882), and if there is a surplus or if the debt is not so secured, towards the payment of any other amount due by the debtor in accordance with scheme drawn up by the Debt Relief Court or if the sum is insufficient towards such repayments ratably. If there is any surplus, such surplus shall be applied for ratable repayments of further instalments, if any, under the scheme and the balance, if any, returned to the debtor.

### **19. Invalidity Of Transfer Made By Debtor In Certain Circumstances :-**

(1) No transfer of immovable property shall be valid if made by a debtor, in respect of whose debts proceedings are pending under Section 8 or Section 9 unless made with the sanction of the Debt Relief Court.

(2) Every transfer of immovable property made by a debtor in respect of whose debts a scheme has been prepared under sub-section (1) of Section 15, shall be void unless made with the sanction of the Collector within whose jurisdiction the debtor owns land, ordinarily resides or earns his livelihood. The Collector shall not sanction any transfer of such property unless he is satisfied that such transfer will not defeat the claims of any creditor the payment of whose claims has been ordered by such scheme.

### **20. Application Of Sections 49 And 50 And Order Xxii Of The Code Of Civil Procedure :-**

If during the period for which the scheme prepared under Section 15 is in force the debtor or the creditor dies, the provisions of Sections 49 and 50 and Order XXII of the Code of Civil Procedure, 1908 (V of 1908), as far as may be, apply.

## **21. Act Inapplicable To Debts Payable By Insolvents :-**

Nothing contained in this Act shall apply to the debts payable by any person who has been adjudicated as insolvent prior to the appointed date:

Provided that the adjudication has not been annulled before or after the appointed date.

## **22. Revision Of Order Of Debt Relief Courts :-**

The Collector may, at any time, on his own motion or on application made by any person aggrieved by an order of a Debt Relief Court within ninety days of such order call for and examine the record of any case pending before or disposed of by such Debt Relief Court and if it appears to him--

- (i) that the order is contrary to law; or
- (ii) that the Court has exercised a jurisdiction not vested in it by law or has failed to exercise a jurisdiction vested in it by law; or
- (iii) that the instalments fixed under sub-section (4) of Section 15 is inequitable;

he may make such order in the case as he thinks fit and subject to such order as the Collector may pass under this section the order of the Debt Relief Court shall be final and no application for revision shall lie against the order of the Collector:

Provided that no order shall be varied or reversed unless notice has been served to the parties interested and opportunity given to them for being heard.

## **23. Exemption From Payment Of Court Fees And Process Fees In Proceedings Under This Act :-**

Notwithstanding anything contained in the Court-fees Act, 1970 (VII of 1870), no court fees or process-fee shall be payable in respect of any proceeding under this Act.

## **24. Court To Issue Discharge Certificate :-**

On an application made by the debtor or the Debt Relief Inspector in this behalf, the Debt Relief Court may, after making such enquiry as it may deem fit, issue a certificate of discharge in such form as may be prescribed in respect of any debt which stood discharged or deemed to have been discharged under this Act:

Provided that no such certificate shall be issued unless--



- (i) a reasonable opportunity has been given to the creditor to show cause against the issue of such a certificate; and
- (ii) a period of ninety days has expired from the date of the constitution of the Court.

**25. Bar Of Suits Or Other Legal Proceedings :-**

No suit or other legal proceedings shall be instituted against the Government or the Collector or the Revenue Officer authorised by the Collector in respect of anything done in dealing with any instalments paid by a debtor under sub-section (1) of Section 16, but nothing in this Act shall prevent any creditor entitled to recover such instalment from recovering from any person to whom it has been paid by the Collector or the Revenue Officer.

**26. Bar Against Jurisdiction Of Courts In Certain Matters :-**

(1) Subject to the provisions of Section 21 the jurisdiction of the Civil Courts and the Courts having jurisdiction under the Provincial Insolvency Act, 1920 (V of 1920), shall be barred in respect of--

- (a) any matter pending before the Debt Relief Court;
- (b) the claim for any debt which has been discharged or deemed to have been discharged under this Act;
- (c) any debt the recovery of which is included in any scheme under sub-section (1) of Section 15 for the time being in force and any order of the Debt Relief Court under sub-section (2) and (4) of that section and under Section 23; and
- (d) any order of the Collector under Section 18.

(2) Nothing hereinbefore contained shall prevent a Court which has stayed proceedings under the provisions of this Act from resuming them and passing such orders in regard to them as are not inconsistent with this Act.

**27. Limitation :-**

In calculating the period of limitation for any suit filed in, or proceedings before Civil Court for the recovery of a debt which was the subject of any proceedings under this Act the time during which such proceeding had contained shall be excluded.

**28. Creditor Not To Accept Any Payment Against A Debt Discharged :-**

(1) No creditor shall accept any payment against any claim for a

debt which has been discharged or deemed to have been discharged under this Act.

(2) Whoever contravenes the provisions of sub-section (1) shall be punished with imprisonment which may extend to six months or fine which may extend to one thousand rupees or with both.

(3) The Court convicting any person under sub-section (1) may in addition to the fine, direct such person to deposit the amount so accepted in the Court within a period to be specified in the order for being refunded to the debtor.

### **29. Offence Under Section 28 To Be Cognizable :-**

Notwithstanding anything in the Code of Criminal Procedure, 1898 (V of 1898)<sup>1</sup> an offence under section 28 shall be cognizable.

1. See now Code of Criminal Procedure, 1973 (2 of 1974).

### **30. Power To Make Rules :-**

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

(2) Without prejudice to the generality of the foregoing power, such rules may provide for:--

(a) any matter which is required to be prescribed under this Act;

(b) prescribing duties and functions of Debt Relief Inspectors;

(c) prescribing the scales of diet money and travelling allowances to be paid to witnesses;

(d) prescribing the charges to be made by the Debt Relief Courts for anything done under this Act and the persons by whom and the manner in which such charges shall be paid;

(e) prescribing the procedure to be followed by the Collector or other Revenue Officer in dealing with the instalment paid to him under sub-section (1) of Section 16;

(f) prescribing the records to be kept and the returns to be made by Debt Relief Courts;

(g) prescribing the jurisdiction of Debt Relief Courts;

(h) determining the paying capacity of a debtor;

(i) prescribing the procedure for recording oral evidence in proceedings under this Act;

(j) generally for carrying into effect the purpose of this Act.

### **31. Repeal :-**

The Madhya Pradesh Anusuchit Janjati Rini Sahayata Adhyadesh,

1966 (No. 20 of 1966) is hereby repealed.

SCHEDULE 1

FIRST SCHEDULE

[See sub-section (1) of Section 14]

Rate of Interest

Simple interest per cent per annum on.....

Secured Debt Unsecured Debt

4 1/2 per cent 6 per cent

SCHEDULE 2

SECOND SCHEDULE

[See sub-section (4) of Section 14]

PART A

If the debt was incurred on or before the 31st December, 1943 30 per cent

If the debt was incurred after the 31st December, 1943, but on or before the 31st December, 1947 20 per cent

If the debt was incurred after the 31st December, 1947, but on or before the 31st December, 1949 15 per cent

If the debt was incurred after the 31st December, 1949, but on or before the 31st December, 1954 10 per cent

If the debt was incurred after the 31st December, 1954, but on or before the 31st December, 1963 5 per cent

PART B

If the debt was incurred after the 31st December, 1945 30 per cent

If the debt was incurred after the 31st December, 1945, but on or before the 31st December, 1949 20 per cent

If the debt was incurred after the 31st December, 1949, but on or before the 31st December, 1951 15 per cent

If the debt was incurred after the 31st December, 1951, but on or before the 31st December, 1956 10 per cent

If the debt was incurred after the 31st December, 1956, but on or before the 31st December, 1965 5 per cent]

1. Existing Second Schedule renumbered as Part A by M.P. Act No. 33 of 1972.

2. Inserted by M.P. Act No. 33 of 1972.