

**Madras Indebted Agriculturists (Temporary Relief) Act,
1954**

05 of 1954

[06 February 1954]

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PREAMBLE

An Act to provide temporary relief to indebted agriculturists.

Whereas, after successive years of drought, by the bounty of Nature there has been adequate rainfall this year and agriculturists are applying themselves with assiduity to the cultivation of crops;

And whereas agriculturists have borrowed or added to their debts during the years of drought and may, if freed for a time from the pressure of creditors, be enabled to rehabilitate themselves;

AND whereas it is in the interests of the general public that, at the present time, agriculturists be spared the distinctions and expenditure involved in litigation launched by their creditors, in order that the maximum possible advantage may result to the State in the matter of production of food crops;

It is hereby enacted as follows:--

1. For Statement of Objects and Reasons, see Fort St. George Gazette, Extraordinary, dated the 6th January 1954. Part IV-A, page 9.

1. Short title, extent and commencement :-

(1) This Act may be called the Madras Indebted Agriculturists (Temporary Relief) Act, 1954.

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

(3) It shall come into force at once.

2. Definitions :-

In this Act, unless the context otherwise requires --

(a) agriculturist means a person who owns an interest in land, and who, by reason of such interest, is in possession of such land or is in receipt of the rents or profits thereof and shall include a lessee; but shall not include--

(i) a firm registered under the Indian Partnership Act, 1932 (Central Act IX of 1932), Or a company as defined in ¹the Indian Companies Act, 1913 (Central Act VII of 1913), or a corporation formed in pursuance of an Act of Parliament of the United Kingdom or of any special Indian law; or

(ii) any person who was assessed to income-tax under the Indian Income-tax Act (Central Act XI of 1922) in any of the years 1951-52, 1952-53, 1953-54.

Explanation.--Where a joint Hindu family or a tarwad, tavazhi, kutumba or kavaru is an agriculturist, every coparcener or member of the tarwad, tavazhi, kutumba or kavaru, as the case may be, shall be deemed to be an agriculturist provided that he has not been assessed to income-tax in any of the years 1951-52, 1952-53, 1953-54.

(b) debt means any sum of money which a person is liable to pay under a contract (express or implied) for consideration received and includes rent in cash or kind which a person is liable to pay or deliver in respect of the lawful use and occupation of land.

Explanation.--It is immaterial that the sum or produce is recoverable only by sale of property in enforcement of a mortgage or charge or that the contract was entered into by the persons predecessor-in-title or by the manager of the joint Hindu family or the karnavan of the tarwad or tavazhi or the yajaman of the kutumba or kavaru of which such person was or is a member.

Exception.--Debt does not include--

(i) rent or compensation for the use and occupation of house property;

(ii) rent or compensation for the use and occupation of immovable property not being house property, accrued due after the 31st March 1953;

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

(iv) any liability in respect of maintenance;

(v) any sum payable to the State or the Central Government or to any local authority, whether by way of revenue, tax, cess, or loan or otherwise;

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

(vii) wages or remuneration due as salary, or otherwise for services rendered;

(c) land means land used for agriculture or horticulture, not being land appurtenant

to a residential building;

(d) Ordinance means the Madras Indebted Agriculturists (Temporary Relief) Ordinance, 1953 (Madras Ordinance V of 1953);

(e) pay with its grammatical variations, includes deliver;

(f) suit or application does not include an appeal from a decree or order passed in a suit or application, or an application for revision or review.

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

3. Bar of suits and applications :-

No suit for the recovery of a debt shall be instituted, no application for the execution of a decree for payment of money passed in a suit for the recovery of a debt shall be made, and no suit or application for the eviction of a tenant on the ground of non-payment of a debt shall be instituted or made, against any agriculturist in any civil or revenue court ¹[before the 1st March 1955.]

Explanation I.--"Suit" does not include a claim to a set-off made in a suit instituted by an agriculturist.

Explanation II.--Where a debt is payable by an agriculturist jointly or jointly and severally with a non-agriculturist, no suit or application of the nature mentioned in this section shall be instituted or made either against the non-agriculturist or against the agriculturist ²[before the date] mentioned in this section.

Explanation III.--A suit shall be deemed to be a suit for the recovery of a debt notwithstanding that other reliefs are prayed for in such suit, and a decree shall be deemed to be a decree for payment of money passed in such suit notwithstanding that other reliefs are granted by such decree:

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

1. These words, figures and letters were substituted, for the words "before the expiry of a year from the date of commencement of this Act", by section 2 (i) of the Madras Indebted Agriculturists (Temporary Relief) Amendment Act, 1954 (Madras Act XXXVII of 1954).

2. These words were substituted for the words "before the expiry of the period", by section 2 (ii), *ibid*.

4. Stay of proceedings :-

(1) All further proceedings in suits and applications of the nature mentioned in section 3 in which relief is claimed against an agriculturist, not being proceedings for the amendment of pleadings or for the addition, substitution, or the striking off of parties, but otherwise inclusive of proceedings consequent on orders or decrees made in appeals, revision petitions, or applications for review, shall, subject to the next succeeding sub-section, stand stayed ¹[until the 1st March 1955:]

Provided that, in regard to property under attachment, the Court may pass such orders as it deems necessary for the custody or preservation of the property or for the sale of such property if it is subject to speedy or natural decay, or, if in respect of it, the expenses of custody or preservation are considered excessive.

(2) On application made by the defendant or the respondent or by all the defendants or all the respondents, as the case may be, the stay effected by sub-section (1) in a suit or application shall be dissolved and the suit or application shall be proceeded with from the stage which had been reached when further proceedings in the suit or the application were stayed.

(3) In the case of suits or applications of the nature mentioned in section 3, instituted or made against an agriculturist, the provisions of the Madras Tenants and Ryots Protection Act, 1949 (Madras Act XXIV of 1949), or of section 54 or section 55 of the Malabar Tenancy (Amendment) Act, 1951 (Madras Act XXXIII of 1951), shall not have effect in so far as the said provisions are inconsistent with the provisions of sub-section (1).

1. These words, figures and letters were substituted for the words "until the expiry of a year from the date of commencement of this Act", by section 3 of the Madras Indebted Agriculturists (Temporary

Relief) Amendment Act, 1954 (Madras Act XXXVII of 1954).

5. Exclusion of time for limitation :-

(1) In computing the period of limitation or limit of time prescribed for a suit for the recovery of a debt or an application for the execution of a decree passed in such suit, the time during which the institution of the suit or the making of the application was barred by section 3 of the Ordinance or section 3 of this Act, or during which the plaintiff or his predecessor-in-title, believing in good faith that section 3 of the Ordinance or section 3 of this Act applied to such suit or such application, refrained from instituting the suit or making the application, shall be excluded.

Explanation.--"good faith" shall have the meaning assigned to it in section 3(22) of the General Clauses Act, 1897 (Central Act X of 1897).

(2) Where in a suit or an application in which the question of the exclusion of time under sub-section (1) arises, the defendant or the respondent, or one of the defendants or respondents, with respect to whom the question is raised, would have been an agriculturist but for the fact that in the year ending 1951-52, 1952-53 or 1953-54 he had been assessed to income-tax (Central Act XI of 1922), it shall be conclusively presumed that, in refraining from instituting the suit or making the application, the creditor believed in good faith that such defendant or respondent was an agriculturist.

6. Effect of transfer of immovable property by the debtor :-

Every transfer of immovable property by a debtor entitled to the benefit of section 3 or section 4, made after the commencement of the Ordinance and 1[before the 1st Much 1955], shall, in any suit or other proceeding, with respect to such transfer, be presumed, until the contrary is proved, to have been, made with intent to defeat or delay the creditors of the transferor.

7. Power to make rules :-

The State Government may make rules to carry out the purposes of

this Act.

8. Repeal of Madras Ordinance V of 1953 :-

The Madras Indebted Agriculturists (Temporary Relief) Ordinance, 1953 (Madras Ordinance V of 1953), is hereby repealed.