

## **Uttar Pradesh Co-Operative Land Development Banks (Amendment) Act, 1989**

**16 of 1989**

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## **Uttar Pradesh Co-Operative Land Development Banks (Amendment) Act, 1989**

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An Act further to amend the Uttar Pradesh Co-operative Land Development Banks Act, 1964 It is hereby enacted in the Fortieth Year of the Republic of India as follows: Prefatory Note --Statement of Objects and Reasons. --Under the provisions of the Uttar Pradesh Co-operative Land Development Banks Act, 1964(U.P. Act No. 16 of 1964), the State Land Development Bank or a Land Development Bank may grant loans to the persons engaged in agricultural activities on execution of mortgage of land in favour of the Bank. The weaker section of the society such as land less labourers asamis, rural artisans etc. dwelling in rural areas cannot get loans from the said Banks as they have no landed property, The National Land Development Bank Federation and the National Bank for Agriculture and Rural Development have emphasised the need to advance loans for construction of houses in rural areas, non-farm sector activities and for development of rural artisans etc. and have suggested that the Bank should change its name

according to its activities. It has, therefore, been considered necessary to amend the said Act in order to provide for grant of loans by the said banks on hypothecation of movable property or on furnishing sureties to their satisfaction and renaming the said Banks as the Uttar Pradesh Rajya Sahkari Krishi Evam Gramya Vikas Bank or the Sahkari Krishi Evam Gramya Vikas Bank. Opportunity has also been availed of for making certain other amendments in the said Act with a view to improving the working of the said Banks and ensuring better services to the farmers and other classes aforementioned. This Bill is accordingly introduced. 1. Received the assent of the President on June 13, 1989 and published in the U.P. Gazette, Extra., Part 1, Section (ka), dated 16th June, 1989, pp. 4-6.

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

This Act may be called the Uttar Pradesh Co-operative Land Development Banks (Amendment) Act, 1989.

### **2. Amendment Of Long Title Of U.P. Act No. Xvi Of 1964 :-**

In the long title of the Uttar Pradesh Co-operative Land Development Banks Act, 1964, hereinafter referred to as the principal Act, for the words "Co-operative Land Development Banks" the words "Sahkari Krishi Evam Gramya Vikas Banks" shall be substituted.

### **3. Amendment Of Preamble :-**

In the preamble of the principal Act, for the words "Uttar Pradesh State Co-operative Land Development Bank" the words "Uttar Pradesh Rajya Sahkari Krishi Evam Gramya Vikas Bank" and for the words "Co-operative Land Development Banks" the words "Sahkari Krishi Evam Gramya Vikas Banks" shall be substituted.

### **4. Amendment Of Various Sections :-**

Wherever in any section of the principal Act -- (a) the words "Co-operative Land Development Bank" or its grammatical variation occurs, the words "Sahkari Krishi Evam Gramya Vikas Bank" or its corresponding grammatical variation, as the case may be, shall be substituted. (b) the words "State Land Development Bank" occurs the words "Rajya Krishi Evam Gramya Vikas Bank" shall be substituted; (c) the words "land development bank" or its grammatical variation occurs, the words "krishi evam gramya vikas bank" or its corresponding grammatical variation, as the case may be, shall be substituted. (d) the words "Uttar Pradesh State Co-operative Land Development Bank" occur, the words "Uttar Pradesh

Rajya Sahkari Krishi Evam Gramya Vikas Bank" shall be substituted.

**5. Amendment Of Section 2 :-**

In Section 2 of the principal Act, in clause (c), after the words "charge on immovable property" the words "or on hypothecation of movable property" shall be inserted, and for the words "generally for improvement of land and other productive purposes connected with agriculture" the words "generally for agricultural and rural development including construction of dwelling houses in rural areas" shall be substituted.

**6. Amendment Of Section 6 :-**

In Section 6 of the principal Act, -- (a) in sub-section (1), the following proviso shall be inserted at the end, namely; -- "Provided that no debenture shall be issued otherwise than in conformity with such directions or instructions as may be issued by the Reserve Bank of India, or the National Bank for Agriculture and Rural Development, from time to time." ; (b) in sub-section (2), for the words "ten years" the words "twenty years" shall be substituted; (c) in sub-section (3), in clause (a), after the words "or hypothecation" the words "or any loan advanced against the unconditional guarantee by the State Government" shall be inserted.

**7. Insertion Of New Section 9-A :-**

After Section 9 of the principal Act, the following section shall be inserted, namely : -- "9-A. Power to borrow money -- Notwithstanding anything contained in the Uttar Pradesh Co-operative Societies Act, 1965, the Board may borrow money from the State Government or the Reserve Bank of India, or the National Bank for Agriculture and Rural Development or such other financial institutions, as may be approved by the Trustee."

**8. Amendment Of Section 11 :-**

In Section 11 of the principal Act, in sub-section (2), after the words "agricultural holding" as also after the words "acquisition of land" the words "or other immovable property" shall be inserted.

**9. Amendment Of Section 16 :-**

In Section 16 of the principal Act, after sub-section (4), the following sub-section shall be inserted, namely : -- "(5) A sale under this section of an agricultural holding or any other immovable property or of any interest therein shall be subject to the provisions

of Sections 157-A and 157-B of the Uttar Pradesh Zamindari Abolition and Land Reforms Act, 1950."

**10. Amendment Of Section 21-A :-**

In Section 21-A of the principal Act -- (a) after the words "transferable rights or not" a comma and words, "Asamis" shall be inserted; (b) after the words "such bhumidar" a comma and word, "Asami" shall be inserted,

**11. Insertion Of New Sections 21-B And 21-C :-**

After Section 21-A of the principal Act, the following sections shall be inserted, namely: -- "21-B. Creation of charge in favour of Krishi Evam Gramya Vikas Bank or Rajya Sahkari Krishi Evam Gramya Vikas Bank.-- (1) A person desirous of securing financial assistance from a Krishi Evam Gramya Vikas Bank or the Rajya Sahkari Krishi Evam Gramya Vikas Bank by hypothecation of movable property owned by him may make a declaration in writing on a duly stamped paper that he thereby hypothecates such property in favour of such Bank. (2) When a person desirous of securing financial assistance from a Krishi Evam Gramya Vikas Bank or the Sahkari Krishi Evam Gramya Vikas Bank does not possess property of sufficient value to secure the loan, financial assistance may be provided to him by such bank on furnishing sureties to the satisfaction of the Bank subject to such conditions, if any, as may be prescribed. 21-C. Provisions of this Act to apply to hypothecation. --The provisions of this Act and rules made thereunder relating to charges and mortgages made under this Act shall mutatis mutandis apply to hypothecation of movable property made under this Act."

**12. Amendment Of Section 26 :-**

In Section 26 of the principal Act, in sub-section (2), after clause (b), the following clause shall be inserted, namely: -- "(c) Construction of rural dwelling houses for the family."

**13. Substitution Of Section 28 :-**

For Section 28 of the principal Act, the following section shall be substituted, namely : -- "28. References to banks in other Acts how construed. -- (1) With effect from the commencement of the Uttar Pradesh Co-operative Land Development Banks (Amendment) Act, 1989, any reference in any law or statutory instrument -- (a) to U.P. State Co-operative Land Mortgage Bank, or Uttar Pradesh State Co-operative Land Development Bank or Uttar Pradesh State Land Development Banks, shall be construed as a reference to the Uttar Pradesh Rajya Krishi Evam Gramya Vikas Banks, (b) to a land

mortgage bank or a land development bank shall be construed as a reference to a Krishi Evam Gramya Vikas Bank. (2) The name of the Uttar Pradesh State Co-operative Land Development Bank or a Land Development Bank existing on the date of commencement of the Uttar Pradesh Co-operative Land Development Banks (Amendment) Act, 1989 shall be changed as the Uttar Pradesh Rajya Sahkari Krishi Evam Gramya Vikas Bank, or as the case may be, Krishi Evam Gramya Vikas Bank, by the Registrar by order in writing and the original certificate and bye-laws of such bank shall stand amended accordingly and such change of name, made under order of the Registrar, be deemed to be a change of name duly effected by the society under the Uttar Pradesh Co-operative Societies Act, 1965. (3) Where a mortgage is executed by a person directly in favour of the Uttar Pradesh Rajya Sahkari Krishi Evam Gramya Vikas Bank all references to Krishi Evam Gramya Vikas Bank in Sections 14, 20, 22, 23, 26 and 27 shall be deemed to be references to the Uttar Pradesh Rajya Sahkari Krishi Evam Gramya Vikas Bank."