

THE UTTAR PRADESH ¹[SAHKARI GRAM VIKAS BANKS
ACT], 1964²

(U. P. Act No. XVI of 1964)

Amended by

U. P. Act no. 27 of 1978

U. P. Act no. 03 of 1979

U. P. Act no. 16 of 1989

U. P. Act no. 19 of 1994

U. P. Act no. 13 of 2014

**[Passed in Hindi by the Uttar Pradesh Legislative Assembly
on April 13, 1964 and by the Uttar Pradesh Legislative Council on
May 6, 1964.]**

**Received the assent of the President on July 9, 1964 under
Article 201 of the Constitution of India and was published in the
Uttar Pradesh Gazette. Extraordinary, dated, July 20, 1964.]**

AN

ACT

**to facilitate the working of Sahakari Gram Vikas Banks in the
State of Uttar Pradesh**

Preamble

Whereas it is expedient further to facilitate the working of
the ³[Uttar Pradesh Sahkari Gram Vikas Bank] and the formation and
functioning of ³[Sahkari Gram Vikas Banks] in the State :

IT IS HEREBY enacted in the Fifteenth Year of the Republic of
India as follows :—

**Short title
and commence-
ment**

1. (1) This Act may be called the Uttar Pradesh ³[Sahkari Gram
Vikas Bank] Act, 1964.

(2) It extends to the whole of the State of Uttar Pradesh.

(3) It shall come into force from such date as the State
Government may, by notification *in the *Gazette*, appoint in this
behalf.

Definition

2. In this Act, unless there is anything repugnant in the subject
or context,—

(a) “Board” means the Board of Directors of the ⁴[Uttar Pradesh
Gram Vikas Bank] ;

1. [Subs. by sec. 2 of U. P. Act no. 19 of 1994.](#)

2. For Statement of Objects and Reasons, see *Uttar Pradesh Gazette, Extraordinary*, dated April 3, 1964.

* The Act came in to force w. e. f. August 15, 1964 vide notification no. 4568c/XIICA-1150/63 dated August 13, 1964.

3. [Subs. by sec. 3 of U. P. Act no. 19 of 1994.](#)

4. [Subs. by sec. 4 of U. P. Act no. 19 of 1994.](#)

(b) “Bye-laws” means the bye-laws registered under the Co-operative Societies Act, for the time being in force in Uttar Pradesh and includes a registered amendment of the bye-laws ;

¹[(c) “Gram Vikas Bank’ or “Sahakari Gram Vikas Bank” means a Co-operative Society registered under the Uttar Pradesh Co-operative Societies Act, 1965, admitted as a member of the Uttar Pradesh Sahakari Gram Vikas Bank] and having as its main object the advancement of loans to its members on the mortgage of or charge on immovable property or on hypothecation of movable property it against unconditional guarantee of the State Government generally for agricultural and rural development including construction of dwelling houses in rural areas and undertake any other activities in the interest of, or desired by its members with the prior approval of the State Government.”]

(d) “Managing Committee” means the governing body of a ¹[Gram Vikas Bank] to which the management of its affairs is entrusted;

(e) “Officer” includes a chairman, secretary, treasures, member of the Board or the managing committee or other person empowered under the rules or the bye-laws to give directions in regard to the business of the ²[Uttar Pradesh Gram Vikas Bank] or a ¹[Gram Vikas Bank] ;

(f) “Prescribed” means prescribed by rules made under this Act;

(g) “Rules” means the rules made under this Act ;

(h) “Registrar” means the person appointed by the State Government to be Registrar of Co-operative Societies for the State of Uttar Pradesh under the provisions of the Co-operative Societies Act for the time being in force in Uttar Pradesh ;

(i) “Regulation” means the regulations framed by the Board under this Act ;

(j) ²[Uttar Pradesh Gram Vikas Bank] or ²[Uttar Pradesh Sahkari Gram Vikas Bank] means a co-operative society registered under the Co-operative Societies Act for the time being in force in Uttar Pradesh with its area of operation covering the whole of Uttar Pradesh and carrying on the business as a ²[Gram Vikas] Bank and facilitating [the operation of its members;]

(k) “State Government” means the Government of Uttar Pradesh ;

(l) “Trustee” means the Trustee referred to in section 4 of this Act.

**Number of
[Gram Vikas
Bank]**

3. There shall not be more than one ²[Uttar Pradesh Gram Vikas Bank] for the whole of Uttar Pradesh and there may be as many [Gram Vikas Bank] as may be deemed necessary by the Registrar.

1. [*Subs. by sec. 2 of U. P. Act no. 13 of 2014.*](#)

2. [*Ins. by sec. 4 of U.P. Act no. 19 of 1994.*](#)

**Appointment
of Trustee
and his
powers and
functions**

4. (1) The Registrar shall be the Trustee for the purpose of securing the fulfillment of the obligations of the ¹[Uttar Pradesh Gram Vikas Bank] to the holders of debentures issued by the Board.

(2) The powers and functions of the Trustee shall be governed by the provisions of this Act and by the instrument of Trust executed between the State Land Development Bank and the Trustee as modified ²[or substituted] from time to time by their mutual agreement and with the approval of the State Government.

**Trustee to be
corporation
sole**

5. The Trustee appointed under section 4 shall be a corporation sole by the name of the Trustee and shall have perpetual succession and a common seal and in his corporate name may sue and be sued.

**Issue of
debentures
by the board**

6. ³[(1) With the previous sanction of the State Government and the Trustee, and subject to such terms and conditions as the State Government may impose, the Board may, from time to time, issue debentures of one or more denominations, for such period or periods as it may deem expedient, against the unconditional guarantee by the State Government for repayment in full of the principal and payment of interest thereon or on the security of mortgages, charges or hypothecations partly held and partly to be acquired and the properties and other assets transferred or deemed to have been transferred under the provisions of section 12 by the Land Development Bank to the State Land Development Bank and other properties of the State Land Development Bank ;]

⁴[Provided that no debenture shall be issued otherwise than in conformity with such direction or instructions as may be issued by the Reserve Bank of India, or the National Bank of Agricultural and Rural Development Board from time to time.];

(2) Such debentures may contain a term fixing a period not exceeding ⁵[twenty years] from the date of issue during which they shall be irredeemable, or reserving to the Board the right to all in at any time any of the debentures in advance of the date fixed for redemption, after giving to the debenture-holders concerned not less than three months' notice in writing.

⁶[(3) The total amount due on debentures already issued by the Board under sub-section (1), together with the amount of any debentures proposed to be issued, shall not exceed the aggregate of—

(a) the amounts due on the mortgages or charges or hypothecations ⁷[or any loan advanced against the unconditional guarantee by the State Government] and the value of other assets transferred or deemed under section 12 to have been transferred by the Land Development Bank to the State Land Development Bank and subsisting at such time ;

(b) the accumulations in the Debenture Redemption Fund ;

1. [*Subs. by sec. 4 of U.P. Act no. 19 of 1994.*](#)
2. [*Subs. by sec. 3 of U.P. Act no. 27 of 1978.*](#)
3. [*Subs. by sec. 4 \(i\) of U. P. Act no. 27 of 1978.*](#)
4. [*Ins. by sec. 6\(a\) of U.P. Act no. 16 of 1989.*](#)
5. [*Subs. by sec. 6\(b\) of U.P. Act no. 16 of 1989.*](#)
6. [*Subs. by sec. 4\(2\) of U. P. Act no. 27 of 1978.*](#)
7. [*Subs. by sec. 6\(c\) of U. P. Act no.16 of 1989.*](#)

(ख) ऋण-पत्र मोचन-निधि में संचयन ;

(c) the cash in hand and the balances with the banks and the book value or market value of securities under general funds, whichever is less ; and

(d) such percentage of the amounts mentioned in clauses (a), (b) and (c), as may be prescribed.”

Vesting of property in Trustee and Debenture holders charge on the assets

¹[7. Upon the issue of debentures under section 6, the benefit under the State Government guarantee and the mortgaged properties and other assets referred to in sub-section (3) of the said section and held by the Board, shall vest in the Trustee and the holders of the debentures shall be entitled to the benefit of the guarantee of the State Government and shall also have a floating charge on all such mortgages and assets and amounts paid under such guarantee or mortgages and remaining in the hands of the ²[Uttar Pradesh Gramin Vikas Bank or of the Trustee.]

Guarantee by State Government of principal and interest ³[of the money to be borrowed by means of debentures or otherwise]

8. (1) The principal of and interest debentures issued under section 6 shall in respect of such maximum amount as may be fixed by the State Government by notification in the “Gazette” in this behalf, and subject to such conditions as it may think fit to impose therein, carry the guarantee of the State Government.

(2) The State Government may, subject to such conditions as may be prescribed, increase the maximum amount of any guarantee given under sub-section (1).

(3) The State Government may, after consulting the Board and the Trustee—

(a) by notification in the official Gazette, and

(b) by notice in such of the principal newspapers in the State and of other States in India as the State Government may select in this behalf,

discontinue any guarantee given by it or restrict the maximum amount thereof or modify the conditions, subject to which it is given, with effect from a specified date, not being earlier than six months from the date of publication of the notification in the official Gazette :

Provided that the withdrawal, restriction or modification of any guarantee shall not in any way affect the guarantee carried by any debenture issued prior to the date on which such withdrawal, restriction or modification takes effect.

(4) Every notification and notice referred to in sub-section (3) shall, where the maximum amount of the guarantee is to be restricted or the conditions subject to which the guarantee is given, are to be modified, set forth precisely the scope and effect of the restriction or modification, as the case may be.

⁴[(5) Notwithstanding anything to the contrary contained in any other provision of this Act the board may borrow money from any of the institutions referred to in section 9-A, against the unconditional guarantee by the State Government in any other manner or means other than by issuance of debentures provided in section 6, on the same

1. [Subs. by sec. 5 of U.P. Act No. 27 of 1978.](#)
2. [Subs. by sec. 4 of U.P. Act No. 19 of 1994.](#)
3. [Subs. by sec. 3\(a\) of U.P. Act No. 13 of 2014.](#)
4. [Ins. by sec. 3\(b\) of U.P. Act No. 13 of 2014.](#)

बिना शर्त प्रत्याभूमि के सापेक्ष, धन उधार ले सकता है।]

Guarantee Fund

9. (1) The State Government may constitute a Guarantee Fund on such terms and conditions as it may deem fit, for the purpose of meeting losses that might arise on account of loans advanced by the ¹[Gram Vikas Bank] on the security of mortgages not being fully recovered due to such circumstances as may be prescribed.

(2) The ¹[Uttar Pradesh Gram Vikas Bank] and the ¹[Gram Vikas Bank] shall contribute to such fund at such rates as may be prescribed.

²[(2-A) The State Government may also contribute to the fund from time to time such amount as it may deem fit.]

(3) The fund shall be maintained and utilized in such manner and for such purposes as may be prescribed.

Power to borrow money

³**[9-A.]**—Notwithstanding anything contained in the Uttar Pradesh Co-operative Societies Act, 1965, the Bond may borrow money from the State Government of the Reserve Bank of India, or the National Bank for Agriculture and Rural Development or such other financial institutions, as may be approve by the Trustee.]

Priority of mortgage over certain claims Act XIX of 1883

10. A mortgage executed ⁴[or charge created] in favour of the ¹[Uttar Pradesh Gram Vikas Bank] or [Gram Vikas Bank] after the commencement of this Act, shall have priority over any claim of the Government arising from a loan granted, after the execution of such mortgage, ⁴[or creation of such charge] under the Land Improvement Loans Act, 1883.

Right of ¹[Gram Vikas Bank] or ¹[Uttar Pradesh Gram Vikas Bank] to purchase mortgaged property

11. ⁵[(1) Notwithstanding anything contained in any law for the time being in force, it shall be lawful for a ¹[Gram Vikas Bank] or the ¹[Uttar Pradesh Gram Vikas Bank] to purchase any property sold under this Act and the property so purchased shall be disposed of by such Bank by sale within period as may be fixed by the Trustee.]

(2) Nothing in section 154 of the U. P. Zamindari Abolition and Land Reforms Act, 1950, or in any other law for the time being in force, fixing a maximum limit of agricultural holding ⁶[or other immovable property] shall apply to the acquisition of land ⁶[or other immovable property] by ¹[Gram Vikas Bank] or the ¹[Uttar Pradesh Gram Vikas Bank] under sub-section (1).

U. P. Act 1 of 1951

⁷[(2-A) if the bank has to lease out any land acquired by it under sub-section (1) pending sale thereof, the period of lease shall not exceed one year at a time and the lessee shall not acquire any other interest in that property, notwithstanding any provisions to the contrary in any other law for the time being in force.]

Mortgages executed in favour of

12. The mortgages executed in favour of and all other assets transferred to, a ¹[Gram Vikas Bank] by the members thereof, before or

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1. [*Subs. by sec. 3 of U.P. Act No. 19 of 1994.*](#)
 2. [*Ins. by sec. 2 of U. P. Act No. 3 of 1979.*](#)
 3. [*Ins. by sec. 7 of U. P. Act No. 16 of 1989.*](#)
 4. [*Ins. by sec. 3 of U.P. Act No. 3 of 1979.*](#)
 5. [*Subs. by sec. 4 of U.P. Act No. 3 of 1979.*](#)
 6. [*Subs. by sec. 8 of U.P. Act No. 16 of 1989.*](#)
 7. [*Ins. by sec. 4 \(b\) of U. P. Act No. 3 of 1979.*](#)

बैंक] के सदस्यो द्वारा उसके पक्ष में निष्पादित बन्धक तथा उसे संक्रमित अन्य समस्त निष्पादित बंधक परिसम्पत्तियों ऐसे निष्पादन या संक्रमण के दिनांक से उक्त ¹[ग्राम विकास बैंक] द्वारा ¹[उत्तर प्रदेश ग्राम

in ¹[Uttar Pradesh Gram Vikas Bank] such ¹[Gram Vikas Bank] to the ¹[Uttar Pradesh Gram Vikas Bank] and shall vest in ¹[Uttar Pradesh Vikas Bank].

Power of ¹[Gram Vikas Bank] to receive money and grant discharges

13. Notwithstanding that a mortgage executed in favour of a ¹[Gram Vikas Bank] has been transferred or is deemed under the provisions of section 12 to have been transferred to the ¹[Uttar Pradesh Gram Vikas Bank]—

(a) all moneys due under the mortgage shall, in the absence of any specific direction to the contrary issued by the Board or the Trustee and communicated to the mortgagor, be payable to the ¹[Gram Vikas Bank] and such payment shall be as valid as if the mortgage had not been so transferred; and

(b) the ¹[Gram Vikas Bank] shall, in the absence of any specific direction to the contrary issued by the Board or the Trustee and communicated to the ¹[Gram Vikas Bank] be entitled to sue on the mortgage or take any other proceeding for the recovery of the amount due under the mortgage.

Right of ¹[Gram Vikas Bank] to pay prior debts of mortgagor

Act IV of 1882

14. (1) Where a mortgage is executed in favour of a ¹[Gram Vikas Bank] for payment of prior debts of the mortgagor, the bank, may, notwithstanding anything contained in the Transfer of Property Act, 1882, or any other law for the time being in force, by notice in writing, require any person to whom any such debt or part thereof is due, to receive from the bank at its registered office such amount within such period as may be specified in the notice.

(2) Where any such person refuses to receive such notice or fails or refuses to receive payment, such debt or part thereof, as the case may be, shall, cease to carry interest from the expiration of the period specified in the notice :

Provided that where there is a dispute as regards the amount of any such debt the person to whom such debt is due shall be bound to receive payment of the amount offered by the ¹[Gram Vikas Bank] towards the debt, but such receipt shall not prejudice the right, if any, of such person, to recover the balance claimed by him.

Distrain when to be made

15. (1) If any installment payable under a mortgage executed in favour of a ¹[Gram Vikas Bank] or any part of such installment remains unpaid for more than one month from the date on which it falls due, the managing committee may in addition to any other remedy available to the said bank, apply to the Registrar for the recovery of such installment or part thereof by distraint and sale of the produce of the mortgaged land including the standing crops thereon.

1. [Subs. by sec. 3 of U. P. Act no. 19 of 1994.](#)

अधिकृत कोई अन्य व्यक्ति, ट्रांसफर आफ प्रापर्टी ऐक्ट, 1882 में दी गयी किसी बात के 1882

notwithstanding anything contained in the Transfer of Property Act, 1882 take action in the manner prescribed for the purpose of distrainly and selling such produce :

Provided that no distraint shall be made after the expiry of twelve months from the date on which the installment fell due.

(3) The value of the property distrained shall, as nearly as possible, be equal to the total of the amount due, the expenses of the distraint and the costs of the sale and also the amount due on a prior charge, if any, on the property distrained.

**Power of sale
when to be
exercised**

**Act IV of
1882**

16. (1) Notwithstanding anything contained in the Transfer of Property Act, 1882, where a power of sale without the intervention of court is expressly conferred on a ¹[Gram Vikas Bank] ²[by a declaration of charge made or mortgage deed] executed before or after the commencement of this Act, the managing committee of such bank or any person authorized by such committee in this behalf shall, in case of default in payment of the ²[money due under the mortgage or charge] or any part thereof, have power, in addition to any other remedy available to the said bank, ²[to bring the property subject to any mortgage or charge to sale] without the intervention of the court.

(2) No such power shall be exercised unless—

(a) a notice in writing requiring payment of such mortgage money or part has been served upon—

(i) the mortgagor or each of the mortgagors ;

(ii) any person who has to the knowledge of the bank any interest in or charge upon the property mortgaged or right to redeem the same ;

(iii) any surety for the payment of the mortgage debt or any part thereof ; and

(iv) any creditor of the mortgagor who has in a suit for the administration of his estate obtained a decree for sale of the mortgaged property ;

(b) default in payment of such mortgage money or part thereof continued beyond three months after such service ; and

(c) the Board has after hearing the objections, if any, of the mortgagor or any other person mentioned in clause (a), authorized the exercise of such power.

(3) A sale under this section shall be conducted in such

1. [Subs. bysec. 4 of U. P. Act no. 19 of 1994.](#)

2. [Subs. by sec. 5 \(a\) of U. P. Act no. 3 of 1979.](#)

(3) इस धारा के अधीन विक्रय ऐसी रीति से किया जायगा जो नियत की जाये।

¹ [(4) Where any property sold under this Act is in the occupancy of any person creating mortgagor charge, or of some person on his behalf, or of some person claiming title subsequent to the creation of such mortgage or charge in favour of a ²[Gram Vikas Bank] or the ²[Uttar Pradesh Gram Vikas Bank], the Collector, shall, on the application of the purchaser, order delivery to be made by putting such purchaser, or any person appointed by him in this behalf, in possession of the property.]

³ [(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 section 157-A and 157-B of the Uttar Pradesh Zamindari Abolition and Land Reforms Act, 1950.]

**Power of
²[Gram Vikas
Bank] where
mortgaged
property is
destroyed or
security
becomes
insufficient**

17. Where any property mortgaged to a ²[Gram Vikas Bank] is wholly or partially destroyed or the security is rendered insufficient and the mortgagor having been given a reasonable opportunity by the managing committee of the ²[Gram Vikas Bank] of providing further security so as to render the security sufficient or of repaying such portion of the loan as may be determined by the committee, has failed to provide such security or to repay such portion of the loan, the whole of the loan shall be deemed to fall due at once and the committee shall be entitled to take action against the mortgagor under this Act or any other law for the time being in force for the recovery thereof.

Explanation—A security shall be deemed insufficient within the meaning of this section if the value of the mortgaged property does not exceed the amount for the time being due on the mortgage by such proportion as may be specified in the rules, regulations or the bye-laws of the ²[Gram Vikas Bank].

**Power of
Board on of
Trustee to
distrain and
sell property
etc.**

18. (1) In the case of a direct mortgage with the ²[Uttar Pradesh Gram Vikas Bank], the Board or the Trustee shall have all the powers conferred on the managing committee of a ²[Gram Vikas Bank] under sections 15, 16 and 17, and in exercising the power under sub-section (1) of section 16, clause (c) of sub-section (2) of that section shall be deemed to be non-existent.

(2) The Board or the Trustee may direct the managing committee of a ²[Gram Vikas Bank] to take action against a defaulter under section 15 or section 16 or section 17, and if the committee neglects or fails to do so, the Board or the Trustee may take such action subject to the provisions of sub-section (1).

(3) (a) Where such action as is mentioned in sub-section (1) or

1. [Ins. by sec. 5\(b\) of U.P. Act No. 3 of 1979.](#)

2. [Subs. by sec. 4 of U. P. Act no. 19 of 1994.](#)

3. [Ins. by sec. 9 of U. P. Act no. 16 of 1989.](#)

उपबन्ध उसके सम्बन्ध में उसी प्रकार प्राप्त होंगे मानो उक्त उपबन्धों में ¹[ग्राम विकास बैंक]

as if all references to the ¹[Gram Vikas Bank] and to its managing committee in the said provisions were references to the ¹[Uttar Pradesh Gram Vikas Bank] and the Board respectively.

(b) Where such action as is mentioned in sub-section (1) or sub-section (2) is taken by the Trustee, the provisions of this Act and the rules or regulations made in this behalf shall apply in respect thereto as if all references to the ¹[Gram Vikas Bank] or to its managing committee in the said provisions were references to the Trustee.

Title of purchaser not to be questioned on the irregularity etc.

19. Where any property is sold in the exercise or purported exercise of a power of sale under section 16, the title of the purchaser shall not be questioned on the ground that—

(a) the circumstances required for authorizing the sale had not arisen, or

(b) due notice of the sale was not given, or

(c) the power of sale was otherwise improperly or irregularly exercised ; but any person who has suffered any damage by an unauthorized, improper or irregular exercise of any such power shall have the right to claim damages against the ¹[Gram Vikas Bank].

Mortgage not to be questioned on insolvency of mortgagor Appointment of receiver and his powers

20. Notwithstanding anything contained in any law relating to insolvency, a mortgage executed in favour of a ¹[Gram Vikas Bank] shall not be called in question on the ground that it was not executed in good faith for valuable consideration or on the ground that it was executed in order to give the ¹[Gram Vikas Bank] a preference over other creditors of the mortgagor.

Act IV of 1882

21. (1) The Board may on its own motion, or on the application of a ¹[Gram Vikas Bank], under circumstances in which the power of sale without the intervention of court may be exercised under section 16 by managing committee or the Board, appoint in writing, a receiver of the mortgaged property or any part thereof and such receiver shall be entitled to take possession of the property, to collect its produce and income, to retain out of any money realized by him, his expenses of management including his remuneration, if any, as fixed by the Board, and to apply the balance in accordance with the provisions of sub-section (8) of section 69-A of the Transfer of Property Act, 1882 so far as applicable.

(2) The Board may, either on its own motion or on an application made by the mortgagor, remove a receiver appointed under sub-section (1).

(3) A vacancy in the office of the receiver maybe filled up by the Board.

1. [Subs. by sec. 4 of U. P. Act no. 19 of 1994.](#)

(4) Nothing in this section shall empower the Board to appoint a receiver where the mortgaged property is already in the possession of a receiver appointed by a civil court.

Vesting of right of alienation on agriculturists not having such rights

¹[**21-A.** The State Government may, by notification vest, subject to such restriction as may be specified in the notification, all Bhumidhars whether with transferable right or not, ²[Asamis] and the Government lessees with rights of alienation in land held under their tenure or any interest in such land including the right to create a charge or mortgage on such land or interest in favour of a ³[Gram Vikas Bank] or the ³[Uttar Pradesh Gram Vikas Bank] for the purpose of obtaining loan from such banks and upon the issue of such notification, such Bhumidhar, ²[Asami] and Government lessees shall, notwithstanding anything contained in any law for the time being in force or any contract, grant or other instrument to the contrary or any custom or tradition, have a right of alienation in accordance with the terms of notification.]

Creation of charge in favour of ³[Gram Vikas Bank] or ³[Uttar Pradesh Sahkari Gram Vikas Bank]

⁴[**21-B.** (1) A person desirous of securing financial assistance from a ³[Gram Vikas Bank] or the ³[Uttar Pradesh Sahkari Gram 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.

Provisions of this Act to apply to hypothecation

21-C. 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.]

Restrictions on mortgagors power to lease or create other rights in the mortgaged and charged property

⁵[**22.** Notwithstanding anything contained in the Transfer of Property Act, 1882, or any other law for the time being in force on property in respect of which a charge, hypothecation or mortgage has been made in favour of a ³[Gram Vikas Bank] or ³[Uttar Pradesh Gram Vikas Bank] shall be sold or otherwise transferred by the person making the charge, hypothecation or mortgage until the entire amount of loan or advance taken by him from the ³[Gram Vikas Bank] or the ³[Uttar Pradesh Gram Vikas Bank] together with interest thereon is paid to the bank and any transaction made in contravention of this

1. [Ins. by sec. 6 of U. P. Act no. 3 of 1979.](#)
 2. [Ins. by sec. 10 of U. P. Act no. 16 of 1989.](#)
 3. [Subs. by sec. 3 of U. P. Act no. 19 of 1994.](#)
 4. [Ins. by sec. 11 of U. P. Act no. 16 of 1989.](#)
 5. [Subs. by sec. 7 of U.P. Act No. 3 of 1979.](#)

संव्यवहार शून्य होगा ;

Provided that, if a part of the amount borrowed by a member is paid, the ¹[Uttar Pradesh Gram Vikas Bank], or as the case maybe, the ¹[Gram Vikas Bank] with the approval of the ¹[Uttar Pradesh Gram Vikas Bank], may, on application from the member release from the mortgage, charge or hypothecation created or made in favour of the bank, such part of the property or interest therein as it may deem proper with due regard to the security of the balance of the amount remaining outstanding from the member.

**Registration
of documents
executed in
favour of
¹[Gram Vikas
Bank] or the
¹[Uttar
Pradesh
Gram Vikas
Bank]**

²[23. (1) Notwithstanding anything contained in the Registration Act, 1908, or any other law for the time being in force, a deed creating charge or mortgage in any land or interest therein or in other immovable property, executed by a borrower member in favour of a ¹[Gram Vikas Bank] or the ¹[Uttar Pradesh Gram Vikas Bank] for the purpose of securing repayment of loan, shall be deemed to have been duly registered in accordance with that Act with effect from the date of the execution provided the bank has sent to the Sub-Registrar within the local limits of whose jurisdiction the whole or any part of the property charged, or mortgaged is situate, within a period of three months from the date of execution, by registered post or hand delivery under acknowledgement, a copy of the document creating such charge or mortgage duly certified to be a true copy by any employee of the bank authorized to sign on its behalf and the Sub-Registrar concerned shall file such copy or copies, as the case may be, in his Book no. 1 prescribed under section 51 of the Registration Act, 1908.

(2) Where the Sub-Registrar is of the opinion that the said document is not duly stamped or that it suffers from any defect arising-out of accidental slip or omission, he shall send back the copy or copies as the case may be, of the document to the bank requiring it to get the deficiency in stamp duty made good on the original or to get the defect removed within thirty days or within such extended time as the Sub-Registrar may allow in that behalf. The bank shall get the deficiency made good or the defect removed, notwithstanding anything contained in the Indian Stamps Act, 1899.

(3) After the deficiency in stamp duty has been made good or as the case may be, the defect has been removed, the bank shall send the copy of the document again to the Sub-Registrar in the manner laid down in sub-section (1), and thereupon the Sub-Registrar shall file the copy in Book no. 1 in accordance with the provisions of sub-section (1).

(4) Notwithstanding anything contained in the Registration Act, 1908 it shall not be necessary for the borrower member, the Trustee or for any officer of a ¹“Gram Vikas Bank” or of the ¹“Uttar Pradesh Gram Vikas Bank” to appear in person or by agent at any registration office in any proceedings connected with the registration of any instrument

1. [Subs. by sec. 4 of U. P. Act no. 19 of 1994.](#)

2. [Subs. by sec. 8 of U.P. Act no. 3 of 1979.](#)

executed by him in his official capacity or to sign as provided in section 58 of the said Act.

**Revenue
Register for
noting
charge or
mortgage**

¹[**23-A.** Where a copy of the document creating charge or mortgage has been sent for registration under section 23, the bank shall also send a copy of such document to the Tahsildar or such other official as may be designated in this behalf by the State Government. The Tahsildar or other official shall make a note of the particulars of such charge, or mortgage in a register maintained for this purpose. The register shall be in such form and inspection thereof shall be allowed and copies of extracts therefrom issued in such manner and on payment of such fee as may be prescribed.]

**Delegation of
certain
powers by
Board**

²[**24.** The Board may, if it thinks fit, delegate all or any of its powers under section 16, 18 and 21 of this Act to any one or more of the officers of the Bank.]

**Section 102,
103 and 104
of the
Transfer of
property Act,
1882, to
apply to
notices under
this Act.**

25. The provisions of sections 102 and 103 of the Transfer of Property Act, 1882 and of any rules made by the High Court under section 104 of the said Act for carrying out the purposes of the said sections, shall apply, so far as may be in respect of all notices to be served under this Act.

**Act IV of
1882**

**Mortgages
executed by
manager of
joint Hindu
families**

26. (1) Where a mortgage executed in favour of ³[Gram Vikas Bank] whether before or after the commencement of this Act, is called in question on the ground that it was executed by the manager of a joint Hindu family for a purpose not binding on the members thereof whether major or minor, the burden of proof shall, notwithstanding anything contained in any other law for the time being in force, rest upon the party which calls such mortgage in question.

(2) For the purpose of this section the following shall be regarded as purposes binding on members of a joint Hindu family—

(a) the improvement of agricultural land or of the methods of cultivation or for financing any other means to raise the productivity of land ; and

(b) the purchase of land.

⁴[(c) Construction of rural dwelling houses for the family.]

**Modification
subject to
which
section 8 of
the Hindu
Minority and
Guardianship
Act, 1956
shall apply to
the
mortgages
Act XXXII of**

27. Section 8 of the Hindu Minority and Guardianship Act, 1956, shall apply to mortgages in favour of a ³[Gram Vikas Bank] subject to the modification that reference to the court therein shall be construed as reference to the Collector or his nominee and the appeal against the order of the Collector or his nominee shall lie to the Commissioner.

1. [Subs. by sec. 8 of U. P. Act no. 3 of 1979.](#)
2. [Subs. by sec. 9 *ibid*.](#)
3. [Subs. by sec. 4 of U. P. Act no. 19 of 1994.](#)
4. [Ins. by sec. 12 of U. P. Act no. 16 of 1989.](#)

**References to
banks in
other Act
how
construed**

¹[28. (1) With effect from the commencement of the Uttar Pradesh ²[Sahkari Gram Vikas Bank] (Amendment) Act, 1989, any reference in any law or statutory instrument—

(a) to U. P. State Co-operative Land Mortgage Bank, or ²[Uttar Pradesh Sahakari Gram Vikas Bank] or ²[Uttar Pradesh Gram Vikas Bank], shall be construed as a reference to the Uttar Pradesh Gramya Vikas Bank,

(b) to a land mortgage bank or a ²[Gram Vikas Bank] shall be construed as a reference to a ²[Gram Vikas Bank].

(2) The name of the Uttar Pradesh State Co-operative ²[Gram Vikas Bank] or a ²[Gram Vikas Bank] existing on the date of commencement of the Uttar Pradesh ²[Sahkari Gram Vikas Bank] (Amendment) Act, 1989 shall be changed as the ²[Uttar Pradesh Sahkari Gram Vikas Bank], or as the case may be, ²[Gram 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 State Co-operative ²[Gram Vikas Bank], all references to ²[Gram Vikas Bank] in section 14, 20, 22, 23, 26, and 27 shall be deemed to be references to the ²[Uttar Pradesh Sahakari Gram Vikas Bank].

**References to
banks in
other Acts
now
construed
after the
commence-
ment of the
Uttar Pradesh
Sahkari
Krishi Evam
Gramya
Vikas Banks
(Amendment)
Act, 1994**

³[28-A. (1) With effect from the commencement of the Uttar Pradesh Sahkari Krishi Evam Gramya Vikas Banks (Amendment) Act, 1994, any reference in any law or statutory instrument—

(a) to the ²[Uttar Pradesh Sahkari Gram Vikas Bank] shall be construed as a reference to the Uttar Pradesh Sahkari Gram Vikas Bank.

(b) to the Rajya Krishi Evam Gramya Vikas Bank shall be construed as a reference to the ²[Uttar Pradesh Gram Vikas Bank].

1. [Subs. by sec. 13 of U. P. Act no. 16 of 1989.](#)

2. [Subs. by U. P. Act no. 19 of 1994.](#)

3. [Ins. by sec. 5 of U. P. Act no. 19 of 1994.](#)

(c) to a ¹[Gram Vikas Bank] shall be construed as a reference to a Gram Vikas Bank.

(d) to a ¹[Sahkari Gram Vikas Bank] shall be construed as a reference to a ¹[Sahkari Gram Vikas Bank] .

(2) The names of the ²[Uttar Pradesh Rajya Sahkari Krishi Evam Gram Vikas Bank] and ¹[Krishi Evam Gramya Vikas Bank] existing on the date of commencement of the Uttar Pradesh Sahkari Krishi Evam Gramya Vikas Bank (Amendment) Act, 1994 shall be changed respectively as the ¹[Uttar Pradesh Sahkari Gramya Vikas Bank] and ¹[Gram 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 Sahkari Gram Vikas Bank, all references to Gram Vikas Bank in Sections 14, 20, 22, 23, 26, and 27 shall be deemed to be references to the Uttar Pradesh Sahkari Gram Vikas Bank.]

Power of the Board to make regulation

29. The Board may, subject to the approval of the Trustee, make regulations not inconsistent with the provision of this Act, the rules and the bye-laws of Uttar Pradesh State Co-operative ¹[Gram Vikas Bank], providing for all or any of the following matters :—

(a) fixing the period of debentures and the rate of interest payable thereon ;

(b) calling in debentures after giving notices to debenture-holders;

(c) issue of new debentures in place of debentures damaged or destroyed ;

(d) converting one class of debentures into another bearing a different rate of interest ;

(e) inspection of the account books and proceeding of ¹“Gram Vikas Bank” ;

(f) submission of return and reports by ¹“Gram Vikas Bank” in respect of their transactions ;

(g) periodical settlement of accounts between ¹“Gram Vikas Bank” and the Uttar Pradesh State Co-operative ¹“Gram Vikas Bank”, and for the payment of the amounts recovered by the ¹“Gram Vikas Bank” on mortgages transferred or deemed under section 12 to have been transferred to the ¹“Uttar Pradesh Gram Vikas Bank” ;

(h) specifying the form in which application to ¹[Gram Vikas Bank] or to the ¹[Uttar Pradesh Sahkari Gram Vikas Bank]

1. [Subs. by sec. 13 of U. P. Act no. 16 of 1989.](#)

2. [Subs. by sec. 4 of U. P. Act no. 19 of 1994.](#)

for loans should be made and the procedure to be followed in the advancement of such loan ;

(i) Valuation of the properties offered as security for loans ;

(j) investment of moneys realized from mortgagors ; and

(k) generally for any other matter in respect of which the Board considers the provision should be made for the purposes of this Act ;

Provided that the regulations framed under clause (i) shall be subject to the approval of the State Government.

**Power of
State
Government
to make
rules**

30. (1) The State Government may, after publication in the *Gazette*, make rules generally for carrying out the purposes of this Act, ¹[including any rules prescribing fees in respect of any proceedings under this Act.]

(2) In particular and without prejudice to the generality of the power under sub-section (1) the State Government may make rules providing for all or any of the following matters—

(a) the procedure for the distraint and sale of produce of land mortgaged to a ²[Gram Vikas Bank];

(b) the procedure for sale of property mortgaged to a ²[Gram Vikas Bank];

(c) fixing the percentage under clause (c) if sub-section (3) of section 6 for determining the limit of the debentures issued by the Board;

(d) laying conditions under which the maximum amount of guarantee given by State Government under sub-section (1) of section 8 may be increased, withdrawn, restricted or modified ;

(e) any other matter which has to be, or may be, prescribed.

(3) All rules made under this section shall, as soon as may be, after they are made, be laid before each House of the State Legislature while it is in session, for a total period of not less than 14 days extending in its one session or more than one successive sessions and shall, unless some later date is appointed, take effect from the date of their publication in the *Gazette*, subject to such modifications or annulments as the two Houses of the Legislature may agree to make, so however that such modification or annulment shall be without prejudice to the validity of anything previously done thereunder.

**Trustee and
other to be
public
servant Act
V of 1860**

31. The Trustee, the Registrar, any person authorized by the Registrar to distraint and sell property under sub-section (2) of section 15 or a Receiver appointed under section 21 shall be deemed to be a public servant within the meaning of section 21 of the Indian penal Code.

**Public
servants
not to bid
at sale**

32. No public servant referred to in section 31 shall purchase or bid for any movable or immovable property sold under the provisions of this Act.

1. [Ins. by sec. 10 of U. P. Act no. 3 of 1979.](#)

2. [Subs. sec. 4 by U. P. Act no. 19 of 1994.](#)

Note :-

By section 4 of U.P. Act No. 19, 1994, wherever in any sections of the principal Act –

(a) the words **“Sahkari Krishi Evam Gramya Vikas Bank”** or its grammatical variation occurs the words **“Sahkari Gram Vikas Bank”** or its corresponding grammatical variation, as the case may be, shall be substituted.

(b) the words **“Rajya Krishi Evam Gramya Vikas Bank”** occurs, the words **“Uttar Pradesh Gram Vikas Bank”** shall be substituted.

(c) the words **“Krishi Evam Gramya Vikas Bank”** or its grammatical variation occurs the word **“Gram Vikas Bank”** or its corresponding grammatical variation, as the case may be, shall be substituted.

(d) the words **“Uttar Pradesh Rajya Sahkari Krishi Evam Gramya Vikas Bank”** occur, the words **“Uttar Pradesh Sahkari Gram Vikas Bank”** shall be substituted.

