

# **Rajasthan Agricultural Loans Act, 1956**

## **(Act No. 1 of 1957)**

[received assent of the Governor on the 2<sup>nd</sup> day of January ,1957]

*An*

*Act*

to consolidate and amend the law relating to loans of money by the State Government for agricultural purposes.

Whereas it is expedients to consolidate and amend the law relating to loans of money by the State Government for agricultural purposes.

Be it enacted by the Rajasthan State Legislature in the Seventh Year of the Republic of India as follows,

**1. Short title, extend and commencement-** (1) This Act may be called the Rajasthan Agricultural Loans Act, 1956

(2) It extends to the whole of the State of Rajasthan —

(3) It shall come into force at once,

**2. Repeal-** On and from the coming into force of this Act, the following shall stand repealed, namely

(a) (1) the Alwar State Agriculturists' Loans Act 1944, and (2) the Bundi Agriculturists' Loans Act, 1939; and

(b) any corresponding laws, other than the enactments referred to in clause (a) hitherto in force in any of the covenanting States, or in the Abu area or the Ajmer area or the Sunel area in so far as such laws are covered by, or are inconsistent with, the provisions of this Act.

**3. Interpretation-** (1) In this Act, unless the subject or context otherwise requires

(i) "agriculture" shall include horticulture;

(ii) "agriculturist" shall mean a person who, by himself or by servants or tenants, earns his livelihood wholly or principally by agriculture or by cattle breeding;

(iii) "Board" shall mean the Board of Revenue for Rajasthan established and constituted under or in accordance with the law for the time being in force;

(iv) "Collector" shall include an Additional collector;

(v) "improvement" shall mean, with reference to a tenant's holding,-

- (a) a dwelling house erected on the holding by the tenant for his own occupation or a cattle-shed or a store-house or any other construction for agricultural purposes erected or set up by him on his holding;
- (b) any work which adds materially to the value of the holding and which is consistent with the purpose for which it was let; and, subject to the foregoing provisions of this clause, shall include-
  - (i) the construction of bunds, tanks, wells water channels and other works for the storage, supply, or distribution of water for agricultural purposes;
  - (ii) the construction of works for the drainage of land for its protection- from floods or from erosion or from other damage by water;
  - (iii) the reclaiming, clearing, enclosing, levelling, or terracing of land;
  - (iv) the erection in the immediate vicinity of the holding otherwise than on the village site, of buildings required for the convenient or profitable use or occupation of the holding;
  - (v) the renewal or reconstruction of the foregoing works or such alterations therein or additions thereto as are not of the nature of mere repairs; and
  - (vi) such other works as the State Government may, from time to time, by notification in the Official Gazette, declare to be improvements for the purposes of this Act, but shall not include such temporary wells, water channels bunds enclosures or other works as are made by tenants in the ordinary course of cultivation.
  - (vii) "land" shall mean land which is let or held for agricultural purposes or for purposes subservient thereto or as grove land for pasturage, including land occupied by houses or enclosures situated on a holding, or land covered with water which may be used for the purpose of irrigation or growing singhara or other similar produce but excluding abadi land; it shall include benefits to arise out of land and things attached to the earth or permanently fastened to anything attached to the earth;
  - (viii) "State" shall mean the new State of Rajasthan as formed by section 10 of the States Reorganisation Act, 1956 (Central Act, 37 of 1956).

(2) The provisions of the Rajasthan General Clauses Act, 1955 (Rajasthan Act 8 of 1955) in force in the pre-reorganisation State of Rajasthan shall, as far as may be, apply mutatis to this Act.

**4. Purposes for which loans may be granted under this Act.-** Subject to such rules as may be made under section II, loans may be granted under this Act by such officer as may, from time to time, be empowered in this behalf by the state Government—

(1) to any person having a right to make an improvement or, with his consent, to any other person for the purpose of making such improvement; and

(2) to landholders and tenants of land —

(a) for the purchase of seed, manure, fodder, cattle, agricultural implements of Persian wheels, or

(b) for the relief of distress, or

(c) for any other purpose connected with agricultural objects including the purchase of rights in land, or for any other work connected with cattle breeding which adds materially to the occupation of cattle breeding.

**5. Mode of dealing with application for loans.-** (1) when an application for a loan is made under this Act, the officer to whom the application is made may, if it is, in his opinion, expedient that public notice be given of the application, publish a notice in such manner as the State Government may, from time to time, direct calling upon all persons objecting to the loan to appear before him at a time and place fixed therein and submit their objections.

(2) The officer shall consider every objection submitted under sub section (1) and make an order in writing either admitting or over-ruling it Provided that, when the question raised by an objection is, in the opinion of the officer, one of such a nature that it cannot be satisfactorily decided except by a Civil Court, he shall postpone his proceeding on the application until the question has been so decided.

**6. Period of repayment of loans.-** (1) with the exception of loans granted for the purchase of seed, manure and fodder, every other loan granted under this Act shall, subject to rules made in this behalf by the State Governments be repayable by instalments (in the form of an annuity or otherwise) ordinarily within ten years from the date of the actual advance of the loan or, when the loan is

advanced in instalments, from the date of the advance of the last instalment actually paid :

Provided that in exceptional cases the period may be extended to twenty years with the sanction of the State Government.

(2) subject as aforesaid—

- (a) every loan granted under this Act i.Jr the purchase of seed or manure shall ordinarily be repayable in full immediately after the harvest for which the loan is granted;
- (b) every loan for the purchase of fodder. shall be repayable in two instalments.

**7. Recovers of loans.-** (1) Subject to such rules as may be made under section 11, all loans granted under this Act, all interest (if any) chargeable thereon and costs (if any) incurred in making or recovering the same shall, when they become due, be default of payment, by the recoverable, in collector in all or any of the following modes, namely—

- (a) from the borrower, - as if they were arrears of land revenue due by him;
- (b) from his surety (if any) as if they were arrears of land revenue due by him;
- (c) out of the land for the benefit of which the loan has been granted as if they were arrears of land revenue due in respect of that land;
- (d) out of the property comprised in the collateral security (if any) according to the procedure for the realisation of land revenue by the sale of immovable property other than the land on which that revenue is due:

Provided that no proceeding in respect of any land under clause (c) shall affect any interest in that land which existed before the date of the order granting the loan, other than the interest of the borrower, and of the mortgagees of, or persons having charges on, that interest and, where the loan is granted under clause (1) of section 5 with the consent of another person, the interest of that person, and of mortgagees of persons having charges on, that interest.

(2) When any sum due on account of any such loan, interest or cost is paid to the Collector by a surety or an owner of property comprised in any collateral security or is recovered under sub- section (1) by the Collector from a surety or out any such property, the Collector shall, on the application of the surety or the owner

of that property (as the case may be), recover that sum on his behalf from the borrower or out of the land for the benefit of which the loan has been granted in the manner provided by sub-section(1).

(3) It shall be in the discretion of a Collector acting under this section to determine the order in which he will resort to the various modes of recovery permitted by it.

**8. Order granting loan conclusive on certain points.-** A written order under the hand of an officer empowered to make loans under this Act granting a loan to, or with the consent of a person mentioned therein, for the purpose of carrying out a work described therein for the benefit of land specified therein, shall for the purposes of this Act, be conclusive evidence—

- (a) that the work described is an improvement within the meaning of the Act;
- (b) that the person mentioned had at the date of the order a right to make such an improvement; and
- (c) that the improvement is one benefiting the land specified.

**9. Liability of joint borrowers as among themselves.—** When a loan is granted under this Act to the members of a village community or to any other person on such terms that all of them are jointly and severally bound to the State Government for the payment of the whole amount payable in respect thereof and a statement showing the portion of the amount which as among themselves each is bound to contribute is entered upon the order granting the loan and is signed by each of them and by the officer making the order that statement shall be conclusive evidence of the portion of that amount which as among themselves each of those persons is bound to contribute.

**10. Exemption of improvements from assessment to land revenue.-** When land is improved with the aid of a loan granted under this Act, the increase in value derived from the improvement shall not be taken into account in revising the assessment of land revenue or rent on the land:

Provided as follows :

- (1) where the improvement consists of the reclamation of waste land or of the irrigation of land assessed at un-irrigated rates the increase may be so taken into account after the expiration of such period as may be fixed by rules to be framed by the State Government, and

- (2) nothing in this section shall entitle any person to call in question any assessment of land revenue or rent otherwise than as it might have been called in question if this Act had not been passed.

**11. Power to make rules.-** The State Government may, from time to time, by notification in the Official Gazette, make rules consistent with this Act to provide for the following matters, namely :

- (a) the manner of making applications for loans;
  - (b) the officers by whom loans may be granted;
  - (c) the manner of conducting enquiries relative to applications for loans and powers to be exercised by officers conducting those enquiries;
  - (d) the nature of the security to be taken for the due application and repayment of the money, the rate of interest at which, and the conditions under which, loans may be granted and the manner and time of granting loans;
  - (e) the inspection of works for which loans have been granted;
  - (f) the instalments by which, and the mode in which, loans, the interest to be charged on them and the costs incurred in the making thereof, shall be paid;
  - (g) the manner of keeping and auditing the accounts of the expenditure of loans and of the payments in respect of the same;
  - (h) all matters which may be or are required to be prescribed or in respect of which rules may be made or required to be made under any provisions of this Act; and
  - (i) all other matters pertaining to the working of the Act.
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