

**THE TAMIL NADU DEBT RELIEF ACT,
1976 (PRESIDENT'S ACT 31 OF 1976)
AS EXTENDED TO THE UNION
TERRITORY OF PONDICHERRY.**

GOVERNMENT OF INDIA

(**Bharat Sarkar**)

Ministry of Home Affairs

(**Grih Mantralaya**)

New Delhi, the 3rd December 1976.

NOTIFICATION

G. S. R. - In exercise of the powers conferred by section 8 of the Pondicherry (Administration) Act, 1962 (49 of 1962) the central Government hereby extends to the Union territory of Pondicherry, the Tamil Nadu Debt Relief Act, 1976 (President's Act 31 of 1976), as in force in the State of Tamil Nadu at the date of this notification, subject to the following modifications, namely : -

MODIFICATIONS

1. Throughout the Act, unless otherwise directed, for the words " State Government " and " *Tamil Nadu Government Gazette* " wherever they occur, the words " Administrator " and " *pondicherry Gazette* " shall respectively be substituted.

2. In section 1, in sub-section (2), for the words " State of Tamil Nadu " the words " Union territory of Pondicherry " shall be substituted.

3. In section 3,-

(i) clause (a) shall be re-lettered as clause (aa) and, before the clause as so re-lettered, the following clause shall be inserted, namely : -

(a) " Administrator " means the Administrator of the Union territory of Pondicherry appointed by the President under article 239 of the Constitution ;

(ii) in clause (e), the words "State Government" shall stand unmodified ;

(iii) in clause (k), in the *Explanation* for the words " City of Madras or the City of Madurai or the area comprised in a municipal town or a township constituted under any law for the time being in force ", the words and figures " area comprised in a municipality or township declared under the Pondicherry Municipalities Act, 1973 (Pondicherry Act 9 of 1973), shall be substituted ;

(iv) in clause (1),-

(a) for the words "partly in another,-", the words " partly in another, not more than one unit of land " shall be substituted ;

(b) sub-clauses (i) and (ii) and *Explanation* I shall be omitted.

4. In section 4, for the words, figures and brackets " Tamil Nadu Agriculturists Relief Act, 1938, the Tamil Nadu Pawnbrokers Act, 1943, the Tamil Nadu Money-lenders Act, 1957, the Tamil Nadu Debt Relief Act, 1972, the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976, the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 ", the words and figures " Madras Pawnbrokers Act, 1943 (Madras Act 23 of 1943), as extended to the Union territory of Pondicherry by the Pondicherry Pawnbrokers Act, 1966 (Pondicherry Act 11 of 1966), the Pondicherry Money-lenders' Act, 1970 (Pondicherry Act 26 of 1970), the Union Territories Relief of Agricultural Indebtedness Regulation, 1976 (1 of 1976) " shall be substituted.

5. In section 5, in sub-section (8), for the words and figures " Tamil Nadu Pawnbrokers Act, 1943 (Madras Act 23 of 1943), the words and figures " Madras Pawnbrokers Act 1943, as extended the Union territory of Pondicherry by the Pondicherry Pawnbrokers Act, 1966 (Pondicherry Act 11 of 1966)" shall be substituted.

6. In section 13,-

(i) in sub-clause (i) of clause (f), and in sub-clause (iii) of clause (g), the words " State Government" shall stand unmodified ;

(ii) in sub-clause (v) of clause (g), for the words and figures " Tamil Nadu Co-operative Societies Act, 1961", the words and figures " Pondicherry Co-operative Societies Act, 1972 (Pondicherry Act 7 of 1973)" shall be substituted.

7. In section 14, in sub-section (3) for the words "both Houses of the Legislature and if, before the expiry of the session in which it is so placed or the next session, both Houses agree is making any modification in any such rule or both Houses agree", the words "the Legislative Assembly of Pondicherry and if, before the expiry of the session in which it is so placed or the next session, the Assembly makes any modification in any rule or directs" shall be substituted.

ANNEXURE

THE TAMIL NADU DEBT RELIEF ACT, 1976 (PRESIDENT'S ACT 31 OF 1976) AS EXTENDED TO THE UNION TERRITORY OF PONDICHERRY.

Enacted by the President in the Twenty-seventh year of the Republic of India.

An Act to provide relief from indebtedness to landless agricultural labourers, rural artisans and small farmers in the State of Tamil Nadu.

In exercise of the powers conferred by section 3 of the Tamil Nadu State Legislature (Delegation of Powers) Act, 1976 (41 of 1976), the President is pleased to enact as follows : -

1. *Short title, extent and commencement.*- (1) This Act may be called the Tamil Nadu Relief Act, 1976.

(2) It extends to the whole of the Union territory of Pondicherry.

(3) It shall come into force at once.

2. Declaration.- It is hereby declared that this Act is for giving effect to the policy of the State towards securing the principles specified in article 46 of the Constitution.

3. Definitions.- In this Act, unless the context otherwise requires,-

(a) ' Administrator' means the Administrator of the Union territory of Pondicherry appointed by the President under article 239 of the Constitution,

(aa) 'agriculture' includes,-

(i) horticulture ;

(ii) the raising of crops (including plantation crops), grass or garden produce ;

(iii) dairy farming ;

(iv) poultry farming ;

(v) breeding of livestock ;

(vi) grazing ;

but does not include the cutting of wood only ;

(b) ' agricultural land ' means land used for purposes of agriculture ;

(c) ' annual household income ' means the aggregate of the annual income from all sources of all the members of a family ;

(d) ' creditor ' means a person from or in respect of whom the debtor has borrowed or incurred a debt and includes the heirs of such person ;

(e) ' debt ' means any liability in cash or in kind, whether secured or unsecured and whether decreed or not, but does not include arrears of taxes due to the Central Government or a State Government or a local authority ;

(f) ' debtor ' means -

(i) a landless agricultural labourer ; or

(ii) a rural artisan ; or

(iii) a small farmer,

who has borrowed or incurred any debt before the commencement of this Act ;

(g) ' family ', in relation to a person, means the individual, the wife or husband, as the case may be, of such individual and their unmarried minor children.

Explanation.- For the purpose of this clause " minor " means a person who has not completed his or her age eighteen years ;

(h) " interest " means any amount or other thing paid or payable in excess of the principal sum borrowed or pecuniary obligation incurred, or where anything has been borrowed in kind, in excess of what has been so borrowed, by whatsoever name such amount or thing may be called, and whether the same is paid or payable entirely in cash or entirely in kind or partly in cash and partly in kind and whether the same is expressly mentioned or not in the document or contract, if any ;

(i) ' landless agricultural labourer' means a person who does not hold, whether as owner, tenant or mortgagee with possession, or partly in one capacity and partly in another, any agricultural land and whose principal means of livelihood is manual labour on agricultural land and whose annual house-hold income does not exceed two thousand and four hundred rupees ;

(j) ' person ' means an individual or a family ;

(k) ' rural artisan ' means a person who does not hold whether as owner, tenant or mortgagee with possession, or partly in one capacity and partly in another, any agricultural land and whose annual household income does not exceed two thousand and four hundred rupees and-

(i) whose principal means of livelihood is production on repair of traditional tools, implements and other articles on things used for agriculture or purposes ancillary thereto on

(ii) who normally earns his livelihood by practising any craft either by his own labour or by the labour of the members of his family in any rural area.

Explanation.- For the purpose of sub-clause (ii) of this clause , " rural area " means any area not being the area comprised in a municipality or township declared under the Pondicherry Municipalities Act, 1973 (Pondicherry Act 9 of 1972) ;

(l) ' small farmer ' means a person whose principal means of livelihood is income derived from agricultural land and who holds, whether as owner, tenant, or mortgagee with possession, or partly in one capacity and partly in another not more than one unit of land.

Explanation II. - Where any person holds as aforesaid more than one category of land referred to in clause (o), then, for the purpose of calculating the extent of land held by him, two hectares of unirrigated land shall be deemed to be equal to-

(i) half hectare of land having facilities for growing one irrigated crop ;

(ii) half hectare of land used for growing any plantation crop or grapes or coconut or arecanut or mulberry ;

(iii) quarter hectare of land having perennial irrigation facilities, or having facilities for growing more than one irrigated crop in a year.

Explanation III.- In this clause and in clause (o),-

(a) " irrigated " means irrigated from any source, whether Government or private ;

(b) " plantation crop " means cardomom, cinchona, coffee, rubber or tea ;

(m) ' Tahsildar ' includes a Deputy Tahsildar in independent charge of a taluk or sub-taluk and any other officer of the Revenue Department not below the rank of a Deputy Tahsildar empowered by the Administrator to exercise the powers and perform the functions of a Tahsildar under this Act ;

(n) ' transferee of the creditor ' means any person [including an institution referred to in clause (g) of section 13] to whom-

(i) the creditor has pledged the movable property pledged to him by the debtor and includes any subsequent transferee to whom such transferee has pledged such movable property and also includes any person in possession of the property pledged ; or

(ii) the creditor has transferred or otherwise assigned his interest in the property mortgaged by the debtor and includes any subsequent transferee to whom such transferee has transferred or otherwise assigned his interest in the property mortgaged and also includes any person in possession of the property mortgaged ;

(o) ' unit of land ' means -

(i) two hectares of unirrigated land ; or

(ii) half hectare of land having facilities for growing one irrigated crop ; or

(iii) half hectare of land used for growing any plantation crop or grapes or coconut or arecanut or mulberry ; or

(iv) quarter hectare of land having perennial irrigation facilities, or having facilities for growing more than one irrigated crop in a year.

4. *Relief from indebtedness.* - Notwithstanding anything contained in the Madras Pawnbrokers Act, 1943 (Madras, Act 23 of 1943), as extended to the Union territory of Pondicherry by the Pondicherry Pawnbrokers Act, 1966 (Pondicherry Act 11 of 1966) the Pondicherry Money Lenders' Act, 1970 (Pondicherry Act 26 of 1970), the Union territories Relief of Agricultural Indebtedness Regulation, 1976 (1 of 1976), or in any other law for the time being in force or in any contract or instrument having force by virtue of any such law and save as otherwise expressly provided in this Act, with effect on and from the commencement of this Act,-

(a) every debt advanced or incurred before the commencement of this Act (including interest, if any), and payable by the debtor to the creditor shall be deemed to be wholly discharged ;

(b) no Civil Court shall entertain any suit or other proceeding against the debtor for the recovery of any amount of such debt (including interest, if any) :

Provided that where any suit or other proceeding is instituted jointly against the debtor and any other person, nothing in this section shall apply to the maintainability of such suit or proceeding in so far as it relates to such other person ;

(c) all suits and other proceedings (including appeals, revisions, attachments or execution proceedings) pending at the commencement of this Act against any debtor for the recovery of any such debt (including interest, if any), shall abate :

Provided that nothing in this clause shall apply to the sale, in respect of any such debt, of-

(i) any movable property held and concluded before the commencement of this Act ;

(ii) any immovable property confirmed before such commencement ;

(d) every debtor undergoing detention in a civil prison in execution of any decree for money passed against him by a Civil Court in respect of any such debt (including interest, if any), shall be released ;

(e) every movable property pledged by a debtor shall stand released in favour of such debtor and the creditor shall be bound to return the same to the debtor forthwith ;

(f) every mortgage executed by the debtor in favour of the creditor shall stand redeemed and the mortgaged property shall be released in favour or such debtor.

Explanation.- Nothing in this section shall be construed as entitling any debtor for refund of any part of any debt repaid or interest paid already by him or recovered from him before the commencement of this Act.

5. *Creditors to file statement, etc.-* (1) Every creditor referred to in clause (e) of section 4 shall, within such period as may be prescribed, furnish to the Tahsildar having jurisdiction over the area where such creditor has his ordinary place of business, a statement in such form as may be prescribed containing the names of all the persons who have pledged movable property with him, the nature and description of such property, the amount advanced and due as on the commencement of this Act, the rate of interest and such other particulars as may be prescribed.

(2) A debtor referred to in clause (e) of section 4 may also make an application to the Tahsildar having jurisdiction over the area where his creditor has his ordinary place of business for an order for the return of the movable property pledged by the debtor.

(3) On receipt of a statement under sub-section (1) or an application under sub-section (2), and after such inquiry conducted in the manner prescribed, the Tahsildar shall, by order, determine-

(i) where a statement has been furnished by the creditor under sub-section (1), which of the persons who have pledged movable property with him are entitled to relief under section 4 ; and

(ii) where an application has been made by the debtor under sub-section (2), whether the debtor is entitled to relief under section 4,

and direct the creditor to produce on or before the date specified in the order the movable property pledged by such persons or debtor.

(4) Where the movable property pledged by the debtor is in the possession of any transferee of the creditor, the creditor shall redeem the said property from such transferee and produce it on or before the date specified in the order referred to in sub-section (3).

(5) If the creditors fails to produce the movable property as directed in the order under sub-section (3)--

(a) the Tahsildar may enter any premises of the creditor or of the transferee of the creditor [other than an institution referred to in clause (g) of section 13] and search and seize the said property ; and

(b) where the movable property is in the possession of any of the institutions referred to in clause (g) of section 13, the Tahsildar shall,-

(i) by an order, direct the said institution to deposit on or before the date specified in the order, the movable property with the Tahsildar together with a statement specifying the amount due to the said institution in respect of the said property and simultaneously issue a certificate to the

said institution to the effect that the amount due to the said institution in respect of the said property shall be recovered from the creditor as if it were an arrear of land revenue and paid to the said institution ; and

(ii) on the said institution depositing the said property with the Tahsildar, acknowledge in writing the receipt of the movable property and proceed to recover from the creditor such amount as is due to the said institution in respect of the said property as if it were an arrear of land revenue, and on such recovery pay the same to the said institution.

(6) After such production or recovery or deposit of the movable property pledged, the Tahsildar shall deliver the said property to the debtor.

(7) Pending determination of the question under sub-section (3), no creditor or the transferee of the creditor shall sell or pledge or otherwise dispose of any movable property pledged by the debtor.

(8) Notwithstanding anything contained in sub-section (5) or in the Madras Pawnbrokers Act, 1943 (Madras Act 23 of 1943), as extended to the Union territory of Pondicherry by the Pondicherry Pawnbrokers Act, 1966 (Pondicherry Act 11 of 1966), the Tahsildar-

(a) may enter any premises of the creditor or the transferee of the creditor [other than an institution referred to in clause (g) of section 13] and search and seize the movable properties pledged by debtors and arrange for their safe custody ;

(b) shall proceed to determine which of the movable properties so seized are to be released to the debtors and pass orders accordingly.

(9) The provisions of sections 100 and 165 of the Code of Criminal Procedure, 1973 (2 of 1974), relating to search and seizer shall, so far as may be, apply to searches and seizures under sub-sections (5) and (8).

6. *Debtors to apply in certain cases.*- (1) A debtor referred to in clause (f) of section 4 may make an application to the Tahsildar having jurisdiction over the area within which such debtor ordinarily resides, for an order releasing the mortgaged property and for the grant of a certificate of redemption.

(2) (a) On receipt of such application and after such enquiry conducted in the manner prescribed, the Tahsildar shall pass an order releasing the mortgaged property and grant a certificate of redemption in the prescribed form which shall be admissible as evidence of such redemption in any proceeding before any court or other authority ;

(b) the Tahsildar shall also direct the creditor or the transferee of the creditor-

(i) to deliver possession of the mortgaged property to the debtor on or before the date specified in the order, if the debtor is not already in possession of the mortgaged property ; and

(ii) to produce on or before the date specified in the order, the mortgage deed or other document and the Tahsildar shall make an endorsement of redemption on the mortgage deed or other document.

(3) Pending orders under sub-section (2), no creditor or the transferee of the creditor shall transfer or otherwise assign his interest in, or exercise his right of foreclosure in respect of the property mortgaged by the debtor.

(4) Where the mortgaged property has been transferred or any right therein has been

assigned to any of the institutions referred to in clause (g) of section 13 by the creditor, the Tahsildar shall recover from the creditor such amount as is due to such institution in respect of the said mortgaged property, as if it were an arrear of land revenue, and shall pay the same to the said institution.

7. *Finality of orders passed under this Act.*- Every order of the Tahsildar under section 5 or section 6 shall, subject to appeal under section 8, be final and shall not be called in question in any court.

8. *Appeal.*-(1) Any person aggrieved by an order made by the Tahsildar under this Act may, within such period and in such manner as may be prescribed, appeal to such authority as may be specified by the Administrator in this behalf.

(2) In deciding the appeal, the authority specified under sub-section (1) shall follow such procedure as may be prescribed and the decision of such authority on such appeal shall be final and shall not be called in question in any court.

9. *Legal practitioner not to appear.*- No party to any proceeding under this Act shall be entitled to be represented by a legal practitioner.

Explanation.- In this section, " legal practitioner " shall have the meaning assigned to it in section 2 of the Advocates Act, 1961 (25 of 1961).

10. *Penalty.*- (1) Any person failing to furnish the statement under section 5 or to comply with the order made or direction given under section 5 or section 6 or otherwise contravening the provisions of either of the said sections shall be liable to imprisonment for a term which shall not be less than three months but which may extend to one year and with fine which shall not be less than one thousand rupees but which may extend to five thousand rupees.

(2) Every offence punishable under sub-section (1) shall be cognisable.

(3) Every offence punishable under sub-section (1) shall be tried in a summary way and the provisions of sections 262 to 265 (both inclusive) of the Code of Criminal Procedure, 1973 (2 of 1974) shall as far as may be, apply to such trial.

11. *Offences by companies.*- (1) Where an offence under this Act has been committed by a company every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary, or other officer of the company, such director, manager, secretary or other officer of the company, shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Explanation.- For the purpose of this section,-

(a) " company " means any body corporate and includes a firm or other association of individuals ; and

(b) " director ", in relation to a firm, means a partner in the firm.

12. *Burden of proof.*- In any suit or proceeding, the burden of proving that the debtor is not entitled to the protection of this Act, shall, notwithstanding anything contained in any law for the time being in force, lie on the creditor.

13. *Certain debts and liabilities not to be affected.*- Nothing in this Act shall apply to the following categories of debts and liabilities of landless agricultural labourers, rural artisans and small farmers, namely :-

- (a) any rent due in respect of any property including agricultural land let out to a debtor ;
- (b) any amount recoverable as arrears of land revenue ;
- (c) any liability arising out of breach of trust or any tortious liability ;
- (d) any liability in respect of wages or remuneration due as salary or otherwise for services rendered ;
- (e) any liability in respect of maintenance whether under a decree of a court or otherwise ;
- (f) a debt due to-
 - (i) the Central Government or any State Government ;
 - (ii) any local authority ;
- (g) save as otherwise provided in this Act, any liability in respect of any sum due to-
 - (i) (A) any banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies;
 - (B) the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955);
 - (C) any subsidiary bank as defined in clause (k) of section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959) ;
 - (D) any corresponding new bank as defined in clause (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 (5 of 1970) ;
 - (E) the Agricultural Refinance and Development Corporation, established under the Agricultural Refinance and Development Corporation Act, 1963 (10 of 1963) ;
 - (F) any other financial institution notified in this behalf by the Administrator in the Pondicherry Gazette ;
- (ii) any Government company within the meaning of the Companies Act, 1956 (1 of 1956);
- (iii) any corporation owned or controlled by the Central Government or any State Government ;
- (iv) the Life Insurance Corporation of India ;
- (v) any Co-operative Society Including a land delopment bank, registered or deemed to be registered under the Pondicherry Co-operative Societies Act, 1972 (Pondicherry Act 7 of 1973) ; and

(h) any debt which represents the price of property whether movable or immovable purchased by a debtor or any amount due under a hire purchase agreement.

14. *Power to make rules.*- (1) The Administrator may make rules to carry out the purposes of this Act.

(2) All rules made under this Act shall be published in the Pondicherry Gazette, and unless they are expressed to come into force on a particular day shall come into force on the date on which they are so published.

(3) Every rule made under this Act shall, as soon as possible, after it is made, be placed on the Table of the Legislative Assembly of Pondicherry and if, before the expiry of the session in which it is so placed or the next session, the Assembly makes any modification in any such rule or directs that the rules should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity or anything previously done under that rule.

15. *Effect of other laws.*- Save as otherwise provided in this Act, the provisions of this Act shall be in addition to, and not in derogation of, any other law for the time being in force.

MAHESH PRASAD,

Joint Secretary to the Government of India.

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