PUBLIC MONEY RECOVERY ACT, 1987.

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y. (3mqnm) 2 12, 1909 3AfiTfh-q-q 0-1. QTfrfä. €7) q (Reu 1988 (feäq) ; (oa•) fa-€rq ; +Ffr"' q) q exq (q e k q A q) ; " xfäfhfä, FFM" är-cr •fit, Tfrx*t q-rs q; ?ifiz friFfr & . (l -2. 9 Ehfi-q-q RTfrT, qi -R, q-fr 4 R TüTUT-q•ä (q) q•qT O, 2 1 988 iti 8.2. 00 fqff StühTTR', t a, • -.17 frrqq 2 1 988 T g-qTfr-t--<T äTTT üqf«:—— (76) (9) (a) (q) Fiz (45) (7T) faqq (O avrrv, fqü AT a) , Gil iÄq Y G ( ) (q q egg) 2 1 988 MADHYA PRADESH ACT No. I of 1988 THE MADHYA PRADESH LOK DHAN (SHODHYA RASHIY ON Kl Sections : l. D. 4. 5. G

7. VASULI) ADHINIYAM, 1987, TABLE OF CONTENTS Short title.extent and conunencement. Definitions. Recovery of certain dues as arrears of land revenue. Savinxs. Act not to debar recovery of dues undcr any other law. Power of State C jovernnxent to tnake rulcs Repeal and validation, etc. MADHYA PRADESH ACT No. 1 of 1988 THE MADHYA PRADESH 1.0K DUAN (SHODI-IYA RASHI'YON Kl VASULI) ADHINIYAM, 1987 [Received t he assent ofthel)xcsidcnt on (he 18th Dcce n) ber, 1987; assent first published in the ' 'Bladhya Pradesli G azette" (Extraordinary), dated the 2nd January, 1988.] An Act to provide for the spccdy recovery of certain classes ofducs payable to the State Govern- ment, Government Cojnp-i.iies and certain categories of Corporations and Banking Com- panics, and ['or Inatters connecß?d there With. .be it enacted by (he Madhya Pradesh Legislat ure i n Republic of India as follows: 1. (i) This Act bc called the Madhya Pradesh K i' Vasuli) Adhipiyam, 1987. (2) It extends to the whole of Madhya Pradesh. (3) It shall conic into force at once

2. Ili Ihis Act, unless the context otherwi.qe requires,— the Thirty-eighth Year of the Lok Dhan (Shodhya Rashiyon Short extent 13 title, and commencement. Definitions. '*agriculture" shall have the meaning- assigned to it in clause (a) of Section 2 of tbe Madhya Pradesh Krishi Udhar Pravartan Tatha Prakirn Upbandh (Bank) Adhiniyam, 19 -n; 'No. 32 of 1973): üleans,— Cleaned in the Banking Requlation Act, 1949 (No. IO of a cvanzang; co:upanv 1949) cne ot:ae 'Jf cops,tituted linuer Ine State Bank of India Act, 1955 thc State r,aa€- of India (Subsidiary Banks) Dany: as defineu .-xct, 1959 0 (0. of 1959) (No. cd 1970) or the barking Coril- es (Acquis, k v) a h',ec-uonal R u tal Bank estab,ished under the Regional Rural Banks Act, 1976 (ND. 21 1976); bank or a Central Society as defined in the Madhya Pradesh co- operative Societies Act} 1960 (No. 17 of 1961) excluding a Co-operative Land leans the Ävf'ddhya Pradesh Financial Corporation established (e) "Corporation" ct, 1951 (*ND. 63 of 1951) and includes u ildet the State Financial Corporaüon any olhcr Corporation owimecl control icd by the Central Government or S! ite OOVCI Illnent which is declared by the öte,tc• Government, by noti- ficat!0i1, to bc a Corporation i.he purpose of assistance" ns any kind or [inancial assigåencc givcn,— (i) ror establishin2, expanding, modernising, renovating ot- cunning any concern; or (ii) for the purpose of or the of agricullut•e or aaro industry; or • the of carty•.naout R ny Stile sponsored schcnw or socially desirable schen•uc: or (v) for reiief aga:nst distress; or (vi) Di-irrroses of any otaer kind of Dlannecl development. _) ' 'Governrnent Co:npany" naeans Government company as defined in Section 617 of lhe Companies Act, 1956 (INo.-l of 1956); to the cxprcss.%lon xn thc shall have thc Ineani ng 1951 (No. 63 of 1951), as arncnded from —nancial Act, tique to time; a lcg•al rcprcscnt.ative, an assivnee or a guaranter; incl udes an hcn•, S late sporasorcd sch.ern•3" moans a schemc sj)onsored by way of financial assistance (h) the .- jtate Government under which the State Government either,— (i) advances tuoncy to a banking cüinpany or Governrncnt cornpany for the purposes of disbursing loans, acivanccs or grants or for the ourposes of sale of goods on credit or hire purcha.se• or (ii) gutu•a71tces or agrees to maarantee the repayment of a loan, advance or grant or the payment of the price OL goods sold on credit or hire purchaser socially desirable scaeme'> naeans a scaeme notified as such by the State Govern- input under which a banking company advances money to any person by way of ancl pan l' t, 1980 (No. 40 of 1980); 01 toon anu 1 ransle 3. any person IS a p•reernen, ko a nt 01 puce of goods sold to OL goo:..ls solo -to h i in {he D {watc advance or grant given 10 'rarn or relating him on credit or relating to hire-purchasi Corporation by way o uovcrrLiüen•c or a 2 98 8 ,) to anv agreement relating to loan, advance or grant given to . him or relating to pzyrncnt of 01 goods sold to hira on credit or relating to hire-purchase of gouts sold to him. a banking company OF a Government Company under a State sponsored schemt •or as •the case may be under a socially desirable scheme; or (C) to any agreement relating to a guarantee given by the State Government or a Corporation in respect of a loan raised by an concern; or (D) to any agreement providing that any

money payable there-under to the State Government shali be rccoverable as arrears of land revenue and such person, (i) maizes any default •in repayrn.ent of the loan or advarice or any instalment there- of; or become liable under thc conditions of the grant to refund the grant or any p,oriion thereok makes any default in the refund of such grant or por- tion cx Instalment thereof; or (liii otherwise, fails to coæolv Withl the terras of the agreement then,—- (a) in the case-of the State Governrnentt such Offcer as the State Government may by notification. authorise in this behalf; (b) in the caseofa Corporation or a Government Company, the Managing 'Director thereof by whatever name called; and in the case of banking company, the local agent thereof by whatever name called, may send a certificate. in such form as may be prescribed, and consistent with the provisions of sub-ection (2) of Section 4, to thc Collector of the district in which Gach person normally resides or carries on business or owns property, •or to such othcr subordinate officer of the Collector, as the State Government or the • Collector may, by an order, specify in this behalf, montioning the sum due from such person and requesting that such sum together with the cost of proceedings and' interest on the sum due at the rate specified .in the agreement, upto the date of recovery, • be recovered as if it were an arrear of land revenue : rovided that a certificate issued under this sub-section may be withdrawn by the auchorify issuing such certificate at any time: *rovided further that the cost o, procecrings shall allways be calculated at the rate of three per cent. of the principat sum to be recovered. veaecuor or h udooruanate offictr specnzed under sub-section (I) on •receiving s•aii steps to tee Dvet the sb.:tecl ü-xereln as an arrear oi land revenue 1959 (B.o. 20 of 1959). tae recovery of any sum due as aroresaid shall lie in a civil court against recover v Of such sum has been issued under illstltution or suit the recoverv 'flis scction shall be in the case of arty agreement referred to in sub-section (I) between any pery to in that the State Govcn'.rnerli or a Corporation, no arbitrati(. shall lic the instance o:- cither p,2iiY either for recovcryof any sum-claimed due under 'the said sub-section or for disputing the correctness of such claim : Provided that whenever proceedings are taken against any person for the recovery,' -'Itty such sum he may pty the amount cl:timcd under protest to the officcr (dcir.g such procer ings, and upon such payment the proceedings Shal) be stayed and the person against who such proceedings were taken' may make a reference under arbitration agreement or otherwi enforce zn arbitralion agreement in respect of the amount so paid. (S) Savc as otherwise expressly provided in the first proviso to sub-section (1) and tl proviso to sub-'ocetion (4), every certificate issued under sub-section (I) befinal - .an shall not be called in question in any original suit, application (incldudir_g any applicatiq under the Arbitration Act, 1940) or in any reference to arbitration and no injunction shall granted by any court or Other authority in respect of any action taken or Intended to be take pursuance o} any power conferred by or under this Act, (6) amount recovered under this Act shall, notwithstålt.dirg anythr_g cont2ir:g in a-ay ether law for the time in force, ic -applied in thc foliwjpg manner, namely : Savings. (a) (b) (c) (d) 4.(1) (a) (b) firstly, towards thc cost of proceedings to be shared betwecak the State Gon-if ment and the authority issturrg the certificate under sub-section- in sue. ruqnner as may be prescribed; seco:idly, toward* interest to be paid to the authority; thirdly, towards the principal amount due to be paid to the authority; and •the b:lance, if any, as for as possible in accordance with the provisiors of sectiq 151 of' the Madhya Pradesh Land Revenue Code, 1959 (No. 20 of 1959) . Nothing in section 3 shali,— affect any interest of the Stétte Government, a Corporation, a Government Compari or any banking company in any property, creatcd by any. mortgage, chargi pledge or other encumbrance ; or affect any right or remedy against any person other than a person referred in that section, in respect ofa contract of indemnity or guarantee •enteredint/ in relation to an agceement refered to in that section or in respect of interest refered to in clause (a). (2) Where thc property of any person referred to in section 3 issubject to any mortgagq charge, pledge or other encumbrance in favour of the State Government, z a Government company or a banking company, then— (a) in every case of z pledge or hypothecation of goods, prczeed.:zgs shall firs(bc taken for sale of the goods pledged or kaypothecated and if the proceeds of such sale are less than the sum due, tben proceedings shall be . taken for rccovery of tl-e balance as arrear of land revenue provided that where the Collector is of the. opinion that it is necessary so to do for; ensuring the recovery of the sum due to the State Government or to a Corporationi a Government company or a banking Company, as the case may be,. he may for reasons to bc recorded, diccct proceedings to be. taken for recovery Of the, sum due, as arrear of land revenue before or at the same time the proceedings. to taken [or sale of the goods pledged; charge or other encumbrance oa immovable property, casc , ax case. -cnay be, ihc intcre.< of the defaulter therein, shalt proper: y e,C, ue sokd p:occedings for recovery of the sorn due from that person as arty other proceedings may be thcrcafter

only the Colicctüt is no prospect of rcalisafion oi the entire sum t ag process within a reaso 2 snail debar the cover y of dues under any other law for the time Act not to deba recovery of due under any othe law. that ule aut.@iorny to wruch the sum is due shall take recourse to the provisions o? only one law a tillie for its recovery. The State Government may, vy notification, make rules for the purposes of Power of State 6 Government to carrynag cut Oi the provjs:cns c.i tnis A:.ct. make rule. (2) In particular, and whithout prejudice to the generality of the foregoing powers, such rules may be rnade fCi' ail or nay of' the following matters, namey:— the form cerciucate •to be sent -under sub- section (1) of Section 3 ; the iii which cost ot' proceedings shall be shared between the State Govern- and the autnority in terms of clause (a) of sub- section (6) of Section 3; any other which is to be or may bc prescribed . .7. 1981) All rules made under this Act shall be laid on the table of the Legislative Assembly. lue iiåadhy.ll Public IVIoneys (Recovery of Dues) Act, 1981 (No. 27 of Repeal and Validation,etc. IS hereby repeaxed. (2) Notwithstanding such repeal, any proceedings instituted for the recovery of any sum uraciec the repealed Act and pending on the date of such repeal shall be deemed to have been instituted under timis Act and shall continue in accordance with the provisions of ths Act. (3) Notwithstandincc' any judgement, decree or order of any court, anything done or any action taken (including orders made, notices, or certificates issued and proceedings iiiitiated to rccover any a or purported Io have bccn donc or taken under the repealed Act sli'&ll tee deemed to be ag valid and effective as if such thing or action was done or taken undec tlle corresponding provisions of this Act, and accordingly no suit or other legal proceedings shall be maintained or continued in any court questioning the validity of any things done or any action taken or pu?poraicd to have bccn done or taken undcr.the repealed Act on the xzround. that tile said Act is unconsititutiorzal OT vioid as it had not been reserved for of thc Prestclent and assented to by the President. the assent —t 988.