

TAMIL NADU CO-OPERATIVE LAND DEVELOPMENT BANKS ACT, 1934

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1. This Act may be called the [Tamil [1944 : T.N. Act X Nadu Co-operative Land Development Banks Act], 1934

2. It extends to the whole of the 2[State of Tamil Nadu]

3. In this Act, unless there is anything repugnant in the subject or context—(a) 'Board' means the Board of Directors of the 3(State Land Development Bank); (b) 'State Land Development Bank' means the "Tamil Nadu Co-operative State Land Development Bank, Limited"; (c) 'Institution in relation to the (c) committee land development bank', the Board of Directors or Board or Management of the panchayat or (the committee of management or the governing body to which the management of its affairs is entrusted ; The words 'Nadu' were substituted for the word 'Madras' in the short title by the Tamil Nadu Adaptation of Laws Order, 1969, as amended by the Tamil Nadu Adaptation of Laws (Second Order, 1969, and these words were substituted for the Tamil Nadu Co-operative Land Mortgage Banks Act" by words section 2 (3) of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). This expression was substituted for the expression " Presidency by the Tamil Nadu Adaptation of Laws Order, 1970, of Madras which was deemed to have come into force on the 14th January 1969. 3 This expression was substituted for the expression " Central Mortgage Bank " by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). This clause was substituted for the original clause (b) by section This expression was substituted for the expression ' mortgage bank " by section 4, Ibid. 1934 : T.N. Act XI Co-operative Land Development Banks 425

'primary land development bank' means a co-operative primary land development bank registered or deemed to be registered under the [Tamil Nadu] Co-operative Societies Act, 1961 [(Tamil Nadu) Act 53 of 1961], and admitted as a member of the State Land Development Bank; (e) 'prescribed' means prescribed by rules made by the State Government under this Act; (f) 'Registrar' means the person appointed by the State Government to be the Registrar of Co-operative Societies for the State of Tamil Nadu under section 3 of the [Tamil Nadu] Co-operative Societies Act, 1961 [(Tamil Nadu) Act 53 of 1961] or any other person on whom all or any of the powers of a Registrar are conferred under the said Act; (g) 'small farmer' means a person owning or cultivating one hectare of land or less means the Trustee referred to in section 5. This clause was substituted for the original clause (d) by section 3(2) of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). 2 These words were substituted for the word " Madras " by Tamil Nadu Adaptation of Laws Order, 1969, as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969. 8 The words " Provincial Government " were substituted for the words " Local Government " by the Adaptation Order of 1937 and the word " State " was substituted for " Provincial " by the Adaptation Order of 1950. This clause was substituted for the original clause (f) by section 3(3) of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). This clause was inserted by section 3(4), Ibid, State Land Development Banks Co-operative Land [19] : T.N. Act X Development Banks [CHAPTER I-A. Land Development Bank, Board and Committee, 3-A. (1) There shall be a State Land Development Bank for the State of Tamil Nadu and as many primary land development banks as may be deemed necessary. (2) On and from the date of the commencement of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (hereinafter referred to as the Amendment Act), the existing Madras Co-operative Central Land Mortgage Bank Limited shall be deemed to be, and shall be, the State Land Development Bank. (3) The Board shall consist of such number of members to be elected and nominated, as may be prescribed : Provided that representation in the Board shall be given to the weaker sections of society such as small farmers, Scheduled Castes and Scheduled Tribes : Provided also that the number of nominated members shall not exceed one-fifth of the total number of members of the Board : Provided further that the Board constituted for the first time after the date of commencement of the Amendment Act shall include the [existing members of the Board of Directors of] the Madras Co-operative Central Land Mortgage Bank until the expiry of their existing term of office. (4) On and from the date of the commencement of the Amendment Act, every primary land mortgage bank in existence shall be deemed to be, and shall be, a primary land development bank and a member of the State Land Development Bank. Chapter I-A was inserted by section 5 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969), These words were substituted for the words "existing members of" by section 2 of the Tamil Nadu Co-operative Land Development Banks 1970 (Tamil Nadu Act 4 of 1970). Act Co-operative Land Development Banks (5) Every new primary land development bank registered after the date of the commencement of the Amendment Act shall, on such registration, be deemed to be, and shall be, a member of the State Land Development Bank : Provided that any primary land development bank may, with the approval of the Registrar, be removed from membership of the State Land Development Bank by a resolution of the Board and any application for obtaining such approval shall be made within two months, from the date of registration of the primary land development bank. Election of the members of the Board Election of in respect of each district shall be held at a meeting of the [presidents] of the primary land development banks in that district, at such place and at such time as may be fixed by the State Government or any officer authorised by the State Government and shall be conducted in the manner prescribed. The election of a person as a member of the Board shall not be called in question on the ground of the existence of any vacancy for whatever reason among the presidents of the primary land development banks.] 3-C. (i) The State Government may appoint an Appoint. executive officer for the State Land Development Bank or a manager for any primary land development bank or officer for the purpose of safeguarding the interest of the shareholders or members, for ensuring the proper management of the bank. Section 3.B was renumbered as sub-section (i) of that section by section 3 of the Tamil Nadu Co-operative Land Development Banks (Amendment) Act, 1970 (Tamil Nadu Act 4 of 1970). This word was substituted for the word " delegates " by section 3(ii), Ibid. This sub-section was added by section 3(ii), Ibid, Purposes for which loan may be granted. of other Co-operative Banks, power to make rules. Co-

operative Land [19": T.N. Act X Development Banks utilisation of the amounts guaranteed by the State Government, for reducing the overdues of the bank, for improving the efficiency of the administration Of the Bank, or for such other purpose as the State Government may, by general or special order, specify: Provided that such power shall be exercised after consulting the bank concerned. (2) The executive officer and the manager shall belong to such cadre, class or category' and shall hold such qualifications and exercise such powers and perform such functions as may be prescribed. 3-D. The loans which may be granted by a primary land development bank the State Land Development Bank shall relate to such purposes per Wining to develop- ment of land as may be prescribed. 3-E. The State Land Development Bank or any primary land development bank may function as the agent of any co-operative bank subject to such conditions as the Registrar may, by general or special order, specify. 3-F. The State Government may make rules not inconsistent with this Chapter— in connection with (i) for the election of members to be elected and nominated to the Board and their term of office; (ii) the manner of election and nomination of to the Board and their renewal; (iii) of the election of office-bearers to the Board; (iv) for the qualifications, powers and functions of the executive officer and manager; (v) for the purposes for which loans may be sanctioned.] 1934 : T.N. Act X] Co-operative Land Development Banks 429 CHAPTER 11. Debentures. 4. (1) (a) With the previous sanction of the Issue of debentures Trustee, the Board may issue debentures of one or more denominations for such periods as it may deem expedient on the security of the mortgages and other assets transferred to or deemed under the provisions of section 23-A to have been transferred] by the [primary land development banks] to the [State Land Development Bank] and the other properties of such Bank. (b) Such debentures may contain a term fixing a period not exceeding ten years from the date of issue during which they shall be irredeemable, or reserving to the Board the right to call in at any time any of the debentures in advance of the date fixed for redemption after giving to the debenture-holder concerned not less than three months' notice in writing. (2) The total amount due on the debentures issued by the Board (including those issued before the commencement of this Act) and outstanding at any time shall not exceed the aggregate of (a) the amounts due on the mortgages, and the value of the other assets, transferred or deemed under the provisions of section 23-A to have been transferred by the land development banks] to the [State Land Development Bank] 1 This expression was inserted by section 2(i) of the Madras Co-operative Land Mortgage Banks (Amendment) Act, 1950 (Madras Act IX of 1950). 2 This expression was substituted for the expression " mortgage banks " by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). a This expression was substituted for the expression "Central Mortgage Bank " by ibid. This was substituted for the words "the total amount due on the mortgages, the amounts paid thereunder and remaining in the hands of the Board or of the Trustee at such time and the value of all other assets transferred by the mortgage banks to the Central Mortgage Bank and subsisting at that time" by section 2(ii) of the Madras Co-operative Land Mortgage Banks (Amendment) Act, 1950 (Madras Act IX of 1950). Appointment of Trustee and his powers, and functions. Guarantee by State Government of principal of, and interest on, debentures issued under section 4. 430 Co-operative Land 1934 : T.N. Act X Development Banks and subsisting at such time and (b) the amounts paid under the mortgages aforesaid and remaining in the hands of the Board or of the Trustee at that time], 5. The Registrar, or where the [State Government] appoint any other person in this behalf such person, shall be the Trustee for the purpose of securing the fulfilment of the obligations of the [State Land Development Bank] to the holders of debentures issued by the Board. The mortgages and other assets transferred '(or deemed under the provisions of section 23-A to have been transferred) by the '[primary land development banks] to the [State Land Development Bank] shall vest in the Trustee from the date of such transfer. The holders of the debentures shall have a floating charge on all such mortgages and assets, on the amount paid under such mortgages and remaining in the hands of the Board or of the Trustee and on the other properties of the [State Land Development Bank]. The powers and functions of the Trustee shall be governed by the instrument of trust executed between the Bank and the Trustee as modified from time to time by mutual agreement between the Board and the Trustee. 6. (1) The principal of, and interest on, the debentures issued under section 4 to such maximum amount as may be fixed by the [State Government] and subject to such conditions as they may think fit to impose shall, subject to the provisions of sub-section (3), carry the guarantee of the [State Government] 1 The words "Provincial Government " were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State " was substituted for "

7. The I[State Gpvernment] may, in their discretion, goarantee toe principal cf, and the interest on, any debentures issued before the commencement of this Act by the Board.subject to such conditions as the J[State Government! may think fit to impose

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such person may, notwithstanding anything contained in the Transfer of Property Act, 1882, take such action as is necessary to distrain and sell such produce : that no distraint shall be made after the expiry of twelve months from the date on which the instalment fell due. (2) The distress shall not be excessive ; the value of the property distrained shall be as nearly as possible, equal to the amount due and the expenses of the distraint and the cost of the sale. 10, (1) Before or at the time when a distraint is made under section 9, the distrainer shall serve or effect. cause to be served upon the defaulter a written demand specifying the amount for which the distraint is made. (2) The demand shall be dated and signed by the distrainer and shall be served upon the defaulter by delivering a copy to him or to some adult male member of his family at his usual place of abode or to his authorized agent, or when such service cannot be effected, by affixing a copy of the demand on some conspicuous part of his abode and of his land. Sale of 11. (1) If, within fifteen days from the date of service of the demand referred to in section 10, the defaulter does not pay the amount for which the distraint was effected, the distrainer may sell in auction the distrained property or such part thereof as may in his opinion be necessary to satisfy the demand together with the expenses of the distraint and the costs of the sale; (2) From the proceeds of such sale, a deduction shall be made at a rate not exceeding [seven paise] in the rupee on account of the costs of the sale. The words "one anna" by section 2 of, and the Schedule to, the Tamil Nadu Coinage (Amendment) Act, 1960 (Tamil Nadu Act 9 of 1960). 125 -14—28 434 Co-operative Land [1934: T.N. Act X Development Banks (3) From the balance shall be deducted the Power of State Government to make rules. Power of sale when to be exercised. expenses incurred by the distrainer on account of the distraint. (4) The remainder, if any, shall be applied to the discharge of the amount for which the distraint was made. (5) The surplus, if any, shall be delivered to the person whose property has been sold and he shall be given a receipt for the amount discharged from the proceeds of the sale

12. The State Government may make rule. Inconsistent this Chapter— (i) for the manner of effecting distraint, (ii) for the custody, preservation and sale of the distrained property, the investigation of claims by persons other than the defaulter to any right or interest in the distrained property : and for the postponement of the sale pending such investigation (iv) for the immediate sale or perishable articles; (v) generally for the purpose or carrying out the provisions of this Chapter. CHAPTER IV. Power of Sale.

13. (1) Notwithstanding anything contained in the Transfer Property Act, 1882, or in the Trusts and Mortgages Powers Act, 1866, where a Central power of sale without the intervention of the Court is conferred by the Provincial Government, the words "Provincial Government" were substituted for of 1866, by the Adaptation Order of the words "Local Government" were substituted for "Provincial" 1937 and the word "State" by the Adaptation Order of 1950. • Repealed by Central Act of 1952, 1934: T.N. Act X] Co-operative Land Development Banks 435 expressly conferred on the [primary land development bank] by the mortgage deed, the committee of such bank or any person authorized by such committee in this behalf shall, in case of default of payment of the mortgage money or any part thereof, have power, in addition to any other remedy available to the bank, to bring the mortgaged property to sale without the intervention of the Court. (2) No such power shall be exercised unless and (a) the Board has previously authorized the exercise of the power conferred by sub-section (1), after hearing the objections, if any, of the mortgagor or mortgagors ; (b) 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 any interest in or charge upon the property mortgaged or in or upon the 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 ; and (c) default has been made in payment of such mortgage money or part for three months after such service, 14. (1) [In exercise of the power of sale conferred by section 13, the committee of a [primary land development bank] or any person duly authorized by the committee, may apply to the officer appointed This expression was substituted for the expression 'mortgage bank by section' 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). 4 Application to set aside sale on deposit and confirmation of sale in default or on dismissal of such application. Co-operative Land [1934: T.N. Act X Development Banks in that under section 22 to sell the mortgaged property or any part and such officer shall, after giving notice in writing to all the persons referred to in section 13 sell such property in the manner prescribed (2) The sale shall be by public auction

and shall be held in the village where the mortgagor property is situated or at the nearest place of public resort if the sale officer is of opinion that the property is likely to sell to better advantage there. 15, (1) When a mortgaged property has been sold under this Chapter, the mortgagor or any person having a right or interest affected by the sale, may, at any time within thirty days from the date of sale, apply to the committee of the 11 primary land development bank] concerned to have the sale set aside on his depositing at the office of such bank— (a) for payment to the 11 primary land development bank], the amount specified in the proclamation of sale together with subsequent interest and the costs, if any, incurred by the bank in bringing the property to sale ; and (b) for payment to the purchaser, a sum equal to five per cent of the purchase money. (2) If such deposit is made, the committee shall make an order setting aside the sale, (3) Where no application is made under sub-section (1) or where such application is made and disallowed, the committee shall apply to the principal officer of the co-operative department in the district, to make an order confirming the sale and on such officer confirming the sale, it shall become absolute. This expression was substituted for the expression " mortgage bank " by section 40 of the Tamil Nadu Land Mortgage Act 14 of 1969). 1934: T.N. Act XJ Co-operative Land Development Banks 437 16, (1) The proceeds of every sale under this Chapter shall be applied by the sale officer, first in of sale, payment of all costs, charges and expenses properly incurred by him as incident to the sale or any attempted sale ; secondly, in payment of all interest due on account of the mortgage in consequence whereof the mortgaged property was sold ; thirdly, in payment of the principal money due on account of the mortgage ; and lastly, the residue, if any, shall be paid to the person proving himself interested in the property sold, or if there are more such persons than one, then to such persons according to their respective interests therein or upon their joint receipt. (2) (a) Any person dissatisfied with the decision of the sale officer in regard to the distribution of such residue may, within thirty days of the communication to him of such decision, institute a suit in a Court to establish the right he claims. (b) The sale officer shall not distribute such residue until thirty days have elapsed from the communication of his decision to all the persons concerned or, if a suit has been instituted within the said period of thirty days by any such person, until the suit is disposed of or otherwise than in, accordance with the decision of the Court therein, Explanation.—In this sub-section ' Court ' means the Civil Court which would have jurisdiction to entertain a suit to enforce the mortgage and within the limits of whose jurisdiction the property sold is situated. 17, Where a sale of mortgaged property has become absolute, the sale officer shall grant a certificate specifying the property sold and the name of the person who at the time of the sale is declared to be the purchaser. Such certificate shall bear date, the day on which the sale became absolute. 18. (1) Where the mortgaged property sold is in Delivery of the occupancy of the mortgagor or of some person on property to his behalf or of some person claiming under a title other than a lease for a period not exceeding five years 438 Co-operative Land [1934: T.N. Act X Development Banks Central Act V of 1908. Right of 1 [primary land development bank] or of the 2[State Land Development Bank] to purchase the mortgaged property at sale. created by the mortgagor subsequent to the mortgage in favour of the 1[primary land development bank], and a certificate in respect thereof has been granted under section 17, the Court shall, on the application of the purchaser, order delivery to be made by putting such purchaser or any person whom he may appoint to receive delivery on his behalf, in possession of the property. (2) Where the property sold is in the occupancy of a tenant or of a person entitled to occupy the same and a certificate in respect thereof has been granted under section 17, the Court shall, on the application of the purchaser, and after notice to such tenant or other person, order delivery to be made by affixing a copy of the certificate of sale in some conspicuous place on the property and proclaiming to the occupant by beat of drum or other customary mode at some convenient place that the interest of the mortgagor has been transferred to the purchaser. (3) In regard to the cases dealt with in sub-sections (1) and (2), the provisions of rules 97 to 103 of Order XX of the first schedule to the Code of Civil Procedure, 1908, shall mutatis mutandis and so far as may be, apply. Explanation.—In this section, Court ' have the same as in section 16

19. It shall be competent to a 11 primary land development bank or the 1 State Land Development Bank] to purchase the mortgaged property sold under this Chapter, but the property so purchased shall be disposed of by such bank by sale within such period as may be fixed by the Trustee. This expression was substituted for the expression "mortgage bank" by section 40 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). 'This

expression was substituted for the expression "Central Mortgage Bank" by Ibid, 1934: T.N. Act X] Co-operative Land Development Banks 439 Central Act IV of 1882. 20. (1) The Board may, on the application of a person appointed as receiver of the property of a primary land development bank and under such circumstances in which the power of sale conferred on the receiver and his powers by section 13 may be exercised, appoint in writing a receiver of the produce and income of the mortgaged property or any part thereof and such receiver shall be entitled either to take possession of the property or collect its produce and income, as the case may be, to retain out of any money realized by him, his expenses of unmanagement including his remuneration, if any, as fixed by the Board, and to apply the balance in accordance with the provisions of sub-section (8) or section 69-A of the Transfer of Property Act, 1882. (2) A receiver appointed under sub-section (1) may, for sufficient cause and on application made by the mortgagor, be removed by the Board. (3) A vacancy in the office of the receiver may be filled up by the Board. (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

21. When a sale has been made in professed exercise of a power of sale under section 13 and has Title Of purchaser been confirmed under sub-section (3) of section 15 not to be the title or the purchaser shall not be impeachable on the ground that no case had arisen to authorize the sale on the ground of sale or that due notice was not given or that the power irregularly, was otherwise improperly or irregularly exercised but etc. any person damaged by an unauthorized or improper or irregular exercise of the power shall have his remedy in damages against the primary land (development bank), 22. The Registrar may appoint sale officers for the purpose of conducting sales under this Chapter. This expression was substituted for the expression "mortgage bank" by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). Review of sums to [primary land development bank] or [State Land Development Bank]. Co-operative Land [1934: T.N. Act X Development Banks (22-A. (1) Without prejudice to any other mode of recovery which is being taken or may be taken, any sum due to a primary land development bank] or the [State Land Development Bank] may be recovered as if it were an arrear of land revenue and for the purposes of such recovery the Registrar shall have the powers of a Collector under the [Tamil Nadu] Revenue Recovery Act, 1864 (41 Tamil Nadu] Act 11 of 1864). (2) Where any sum due to any primary land development bank] or the [State Land Development Bank] is recoverable from any debtor and the immovable property of such debtor is brought to sale under the provisions of the [Tamil Nadu] Revenue Recovery Act, 1864 ([Tamil Nadu] Act 11 of 1864) and the [primary land development bank] or the [State Land Development Bank] is the purchaser at such sale, the provisions of section 36 of the said Act shall apply thereto as if for the third clause thereof the following clause was substituted, namely Third.—The sum due to the purchaser shall be set off, in whole or in part, against the purchase money and the remainder, if any, of the purchase money shall be paid to the Collector or other officer empowered by the Collector in that behalf within thirty days of the date of sale." This section was inserted by section 2 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1968 (Tamil Nadu Act 17 of 1968). 2 This expression was substituted for the expression " mortgage bank " by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). This expression was substituted for the expression " Central Mortgage Bank " by Ibid. These words were substituted for the word " Madras " by the Tamil Nadu Adaptation of Laws Order, 1969, as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969, which came into force on the 14th January 1969. 1934 T.N. Act X] Co-operative Land Development Banks 441 23. The [State Government] may make rules not inconsistent with this Chapter— Government to make (i) for the due proclamation and conduct of the rules. (ii) for the recovery of the expenses of proclamation and sale; (iii) for the deposit of the purchase money; (iv) for the resale of the property, if the purchase money is not deposited ; and (v) generally for carrying out the provision: this Chapter

CHAPTER V. Miscellaneous. The mortgages executed in favour of, and Mortgages [primary land executed in all other assets transferred to, a favour of development bank] by the members thereof shall, [primary with effect from the date of such execution or transfer, land development bank] be deemed to have been transferred by such bank), etc., [primary land development bank] to the State Land Development Bank]. vested in [State Land Development Bank]. 1 The words " Provincial Government " were substituted for the words " Local Government " by the Adaptation Order of 1937 and the word "State " was substituted for " Provincial " by the Adaptation Order of 1950. This section was inserted by section

4 of the Madras Co-operative Land Mortgage Banks (Amendment) Act, 1950 (Madras Act TX of 1950). This expression was substituted for the expression " mortgage bank" by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). This expression was substituted for the expression " Central Mortgage Bank " by ibid. 442 Co-operative Land t1934 ; T.N.sAct X Development Banks Powers of ' [primary land deve• lopment bank) in case the mort- gaged property is wholly or partially destroyed or the security is rendered insufficient. Power of Board •or of Trustee to direct distraint and sale of produce and the sale of mortgaged property, etc

24. Where any property mortgaged to a '[primary land development bank] is wholly or-- •partially des- troyed or the security is rendered insumcient and the mortgagor, having been given a reasonable oppor- tunity by the committee of the l[primary land develop- ment bank], of providing further security enough to render the 'vvhole security sumcient 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 coin- mittee shall be entitled to take action against the jmortgagor under section 9 or section 13 for the reco- very thereof.Explanation.—A security is insufficient within the meaning of this section unless the value of the mortga- ged property exceeds the amount for the time being due on the mortgage by such proportion as may be specified in the by-laws of the l[primary land deve- lopment bank). 25. (i) The Board ot the Trustee may direct the committee of a l(primary land development bank] to take action against a defaulter under section 9, section 13 or section 24 and if the com;nittee neglects ot fails t he Trusi;cc 'nay take such fro do so, the Board •or action, (2) (a) Where such action is taken by the Board, {he provisions of this Act and of any rules or regula- {ions made t'hereunder shall apply in respect, thereto as if all references to i,he '[primary land development, bank] and to its committee in the said provisions 21 State Land Development, " ere references to {lhe Bank] and the Board respectively. (b) Where such action is (taken by the Trustee, the provis:ons of this Act, and of any rules or regulations made thereunder shall apply in respect thereto as if t This expression was substituted for the exprösion " mortgage bank " by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). a This expression was substituted for the expression "Central Mortgage Bank" by Ibid. 19.24: T.N. Act X] Co-operative Land Development Banks 443 Central Act IV of 1882. C.entral Act 111 of 1909. Central of 1920. ("entral all references to the i[primary land development bank] or to its committee in the said provisions were refer- ences to the Trustee

26. Notwithstanding anything contained in the Mortgagor's power to Transfer of Property Act, 1882, the duration of any lease.lease executed by a mortgagor of property mortgaged to a 11 primary land development bank] after the execu- tion of the mortgage shall in no case exceed five years, 27. Notwithstanding anything contained in the Mortgage Pte.sidency Towns Insolvency Act, 1909, or the Pro- not to be vincial Insolvency Act, 1920, a mortgage executed in questioned on insol- favour ot' a l[prinvaty land development bank] shall vency of not be called in question on the ground that it was mortgagor. not executed in good faith for valuable consideration or on the ground that it, was executed in order to give the land development bank] a preference over the other credit0i's of the m,ortgagor

28. A rnortgage executed in favour of a 2[Pri0lity of mortgage If.priutry land development bank I after the conunence- ow•er other lh;s Act shall priority over any claim claims.) G overnnrn arising t'ronn a loan under the lnnproveau:u Loans Act 188.3. granted after Act XIX the execution of Without prejud;ce to the provisions of nc)lvicithstan.dine tained in the 41 T,llnil Nadu I Co-operatise Societ Act. 1961 (41 Tamil Nadu Act. 53 of 196 1) or tn any -other the titnc being in force, a executed This expression was substituted [or the expression ' 'mortg•ngc bank by sect ion 4 of the Tatni! Vadu Co-operative Land Mact- gage, .Banks (Atnendnwnt) Act, 1969 (Tamil Nadu Act 14 of 1969). 2 Section 28 was renutnbcred as sub- section (I) of that section and this Inarginai heading wag substituted by section 3 (a) of the T antil Nadu Co-operatix Land NTortgagc Banks (Amendment) Act, 1968 Nadu Act 17 1968). This sub.s.cction 'vas added by section 3 (h), ibid. 4 These words were substituted for the word " Madras " by the Taniiii Nadu Adaptation of Laws Order, 1969, as amended by the Tamil Nadu Adaptation of Laws (Seoond Amendment) Order, 1969, Vo-operative Land [1934: T.N. Aet X Development Banks in favour of a l[primary land development bank] after the 4th day of July 1968, shall, subject to the claim of the Government in respect of land revenue, have priority over all other claims against the pro- perty secured by such mortgage.] Verification of A '[primary land development bank] shall, ;ncumbrances. Right •f

development bank to pay prior debts mortgaged before advancing any loan on the security of any immovable property, verify encumbrances, if any, for a period of thirteen years immediately preceding the date of advance of such loan affecting such immovable property.] 29. Where a mortgage is executed in favour of a [primary land development bank] for payment of prior debts of the mortgagor, the bank may, notwithstanding the provisions of sections 83 and 84 of the Transfer of Property Act, 1882, by notice in writing Central require any person to whom any such debt is due to Act IV receive payment or such debt or part thereof from Of 1882' the bank '[at its registered office within such period as may be specified in the notice. If any such person fails to receive such notice or such 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 1 This expression was substituted for the expression "mortgage bank" by section 4 of the Tamil Nadu (Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969), 2 This section was inserted by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1968 (Tamil Nadu Act 17 of 1968). The words within square brackets were inserted by section 2 of the Madras Land Mortgage Banks (Amendment) Act, 1935 (Madras Act xvi of 1935). 19": T.N. Act X] Co-operative Land Development Banks 445 amount offered by the [primary land development bank] towards the debt, but such receipt shall not prejudice the right, if any, of such person, to recover the balance claimed by him. Power to (1) Subject to such restrictions, limitations and conditions as may be prescribed, the Registrar and persons subordinate to the Registrar who are requisition authorized by him in this behalf by general or special documents, order in writing, and such other persons, being officials engaged in the relief of rural indebtedness or officers of co-operative banks which are registered or deemed Madras to be registered under the Madras Co-operative Act VI of Societies Act, 1932*, as the- 3(State) Government may, by notification in the Fort St. George Gazette authorize in this behalf, shall have the same powers as are vested in a Court under the Code of Civil Procedure, 1908, when trying a suit, in respect of the 1908. Following matters, namely: — (a) enforcing the attendance of any person and examining him on oath or affirmation; (b) compelling the production of documents; (c) issuing commissions for the examination of witnesses. (2) Any of the officers or persons authorized by under sub-section (1) may require any person present before him to furnish any information or to produce any document then and there in his possession or possession. This expression was substituted for the expression "mortgage bank" by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). section 29-A was inserted by section 2 of the Madras Co-operative Land Mortgage Banks (Amendment) Act, 1939 (Madras Act of 1939). This word was substituted for the word "Provincial" by the Adaptation Order of 1950. Now see the Tamil Nadu Co-operative societies Act, 1961 (Tamil Nadu Act 53 of 1961). 446 Co-operative Land [1934 : T.N. Act X Development Banks (3) Any officer or person before whom any document is produced under sub-section (1) or sub-section (2) shall have to take, or to authorize the taking of, such copies of the document or of any entries therein as such officer or person may consider necessary. Copies so taken shall when certified in such manner as may be prescribed, be admissible in evidence for any purpose in the same manner and to the same extent as the original document or the entries therein. as the case may be. (4) (a) Any person who wilfully or without reasonable excuse disobeys any summons, requisition or order issued under sub-section (1) or sub-section (2), shall be punishable with fine which may extend to fifty rupees and in the case of a continuing disobedience with an additional fine which may extend to five rupees for every day during which such disobedience continues after conviction for the last such disobedience. (h) No Court inferior to that of a *Presidency Magistrate or a *Magistrate of the first class shall try any offence under clause (a). (c) Every offence under clause (a) shall, for the purposes of the Code of Criminal Procedure, Act of 1898, be deemed to be non-cognizable. (d) No prosecution shall be instituted under clause (a) without the previous sanction— the Registrar in case the summons, requisition or order alleged to have been disobeyed was issued by the Registrar or any person subordinate to him or by any officer of a co-operative bank; or the Collector of the district in other *According to clauses (a) and (c) of sub-section (3) of section 3 of the Code of Procedure, 1973 (Central Act 2 of 1974), which came into force on the 1st of July 1974, any reference to a magistrate of the first class shall be construed as a reference to a Judicial Magistrate or the First (Class) and any reference to a Presidency Magistrate shall be construed as a reference to a Metropolitan Magistrate. See now the Code

of Criminal Procedure, 1973 (Central Act 2 of 1934 : 'T.N. Act' XJ Co-operative Land Development Banks 447 Such sanction shall not be given without giving the party concerned an opportunity to be heard. (5) The (State) Government shall have power to make rules for giving effect to the provisions of this section.) in Registration 30. (1) Notwithstanding anything contained of documents Central the Indian Registration Act, 1908, it shall not be neces- executed on Act xvi of 1908. sary for any Director, Secretary or other omcer of a behalf of a 2[prjmary land t[primary land development bank] or of the 8[State dc velopment Land Development Bank] to appear in person or by bank) or of the agent at any registration office in any proceeding con- 8[State Land Devefopnwnt nected with the registration of any instrument execu- Bank]. ted by him in his omcial capacity 01' to sign as pro- vided in section 58 of that Act. (2) Where any instrument is so executed, the registering officer to whom such instrument is pre- sented for registration may, if he thinks fit, refer to such Director, Secretary or officer Por information respecting the same, and, on being satisfied of the exc- cution thereof, shall register the instrument. .31. '[Notwithstanding that a rnortgage execu nd Power 2[pcitnary in favou.r of a 2[primary land development bank! develop unc n i he provision : bank] to receivc been transferred. or is deemed under)neys a nd of section 23-A to have been transferred, to the a(State Land Development Bank)] (a) all moneys due under the mortgage shall, the absence of any specific direction to the contrary mortgage issued by the Board or Trustce and communicated to Land DcvciDP- ment Ba nk). This word was substituted for the word " Provincial Adaptation Order of 1950. This Oexpression was substituted for the expression " Inor{gag" bank " by section 4 the Tamil Nadu Co-operative Land Mort- gage Binks (Amendment) Act, 1969 (Tamil Nadu Act 14 I This expression was iustituled for the expression " C.entral Mortgage Bank" by ibid. This expression was substituted fer the words " Notwilhsland- ing the travisfer of a mortgage by a mortgage bank to tho Central Mortgage Bank " by section 5 of the Madras Co-operative Land Mortgage Banks (Amendment) Act, 1950 (Madras Act IX of 1950). 448 Cæoperativelmd [1934 : T.N. {Act X Development Banks Special provisions for mortgages executed by managers of joint Hindu families, karnavans of Marumak- kattayam tarwads or tavazhis or of Nambudri illoms, etc. the mortgagor, be payable to the l[primary land de- velopment bank] and such payment shall-be as valid as if the mortgage had not been so transferred; and (b) the l[primary land development bank] shall, in the absence of any specific direction to the contrary issued by the Board or Trustee and communicated to the i(primary land development bank], be entitled to sue on the mortgage or take any other proceeding for of the moneys due under the mortgage. 2[32. (1) Where a mortgage executed in favour of a l[primary land development bank] either before or after the passing of this Act is called in question on the ground that it was executed by the manager of a joint Hindu family or the karnavan of a Marumak- kattqyam tarwad or tavazhi or of a Nambudri illom, or the manager of a Thiyya or Ezhava family, or the ejaman or ejalnanthi of an Aliyasantana family, for a purpose not binding on the members thereof, whether majors or minors, the burden of proving the same shall, notwithstanding any law to the contrary, be on the party raising it. (2) A mortgage executed in favour of a 11 primary land development bank] by the manager of a joint Hindu family or the karna.van of a Marumakkattaya:n tarwad or tav•äzhi or of a Nambudri illom or the mana- ger of a Thiyya or Ezhava family or the ejaman or ejamanthi of an Aliyasantana family shall be binding on the members thereof. whether majors or minors, if the loan secured by the mortgage was granted for any of the following purposes, namely : (a) the improvement of agricultural land or of the methods of cultivation ; and (b) the purchase of land.] 1 This expression was substituted for tye expression " mortgage bank b section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Rmendment) Act, 1969 (Tami! Nadu Act 14 of 1969). This section was substituted for the original section 32 by sectiao 6 of the Madras Co-operative Land Mortgage Banks (Amendment), Act, 1950 (Madras Act IX of 1950). 1934 : TON. Co-operative Land Development Banks 1132-A 449 Central Act IV Proof of 2[32-B. Any '[primary land development bank] or documents the '[State Land Development Bank] may grant copies or entries in documents. of any document obtained and kept by it in the course of its business, or of any entries in such docu.ment ; and any copy so granted shall, when certified in such manner as Inay be prescribed, be admissible in evidence Chapters 111 for any purpose in the same manner and to the same and IV to apply to extent as the original document, or the entries therein, loans as the case may be.] advanced by '[primary land development 33. The provisions of Chapters III and [V shall banks] from apply also to the loans advanced by '[prinury land funds not borrowed from Development banks] from funds which have not been the 4[State Land I borrowed from the '[State Land Development Bank]. Development Service ot' 34. Whenever under the

provisions of this Act notice is required to be given to any person in writing, under the Act, it shall be sufficient to send such notice by registered post. Sections 302, 103 and 104 of the Transfer of Property Act, 1882, and of any rules made thereunder to apply to such under section of that Act for by the High Court out of the purposes of the said sections of , to be served under this Act. 1 Section 32-A which was inserted by section 7 of the Madras Co-operative Land Mortgage Banks (Amendment) Act, 1950 (Madras Act IX of 1950) was omitted by clause 3 of the Madras Adaptation of Laws Order, 1957. This section was inserted by section 2 of the Madras Co-operative Land Mortgage Banks (Second Amendment) Act, 1950 (Madras Act X of 1950). This expression was substituted by the expression mortgage banks by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). The expression "Central Land Mortgage Bank" was substituted by "Mortgage Banks" by ibid. This expression substituted for the expression "mortgage banks" by ibid. 125-14—29 450 Co-operative Land Development Banks : T.N. Act X Officers of 36. At any sale of movable or immovable property (primary land held under the provisions of this Act in order to recover any money due to a [primary land development banks] and of the Land Development Bank], no Director, Secretary or other officer Development of such bank or of the [State Land Development Bank] and sale (except on behalf of the bank of which he is a Director officers not to or an officer) and no sale officer or other person having bid at sales. any duty to perform in connexion with such sale, shall either directly or indirectly, bid for or acquire or attempt to acquire any interest in such property. [36-A. On and from the date of the commencement. Vesting of assets of the Amendment Act, all assets and liabilities and liabilities. of the existing Madras Co-operative Central Land Mortgage Bank and the existing mortgage banks shall stand transferred to, and vest in, the State Land Development Bank and the primary land development banks respectively. 1 37. The Board may, if it thinks fit, delegate all or Delegation of certain powers any of its powers under sections 13, 20 and 25 to an executive committee constituted by it and consisting of two or of its members

38. Notwithstanding anything contained in the Power of Board Madras to make regulations Madras Co-operative Societies Act, 1932. or the rules made thereunder, the Board shall have a general power of supervision over the [primary land development and mortgage banks]. In addition, the Board shall have a general power of supervision over the [primary land development and mortgage banks] consistent with this Act or the rules made thereunder— (a) for the inspection of the account books and [primary land development banks] proceedings of the [primary land development banks]; (b) for the submission of returns and reports by [primary land development banks] in respect of their transactions ; (c) for the periodical settlement of accounts between [primary land development banks] and the Land Development Bank] and for the payment of the amounts recovered by [primary land development banks] on mortgages transferred (or deemed under the provisions of section 23-A to have been transferred) to the [State Land Development Bank]; (d) prescribing the form in which applications to [primary land development banks] for loans should be made and for the valuation of the properties offered as security for such loans , (e) for the investment of moneys realized from the mortgagors ; and (f) generally for the purpose of safeguarding the interests of the parties concerned and for carrying out the purposes of this Act. 4138-A. (1) All rules made under this Act shall be published in the Fort St. George Gazette and, unless otherwise provided, they shall come into force on the day on which they are so published. (2) Every rule made under this Act shall, as soon as possible after it is made, be placed on the table of both Houses of the Legislature, and if, before the expiry of the session in which it is so placed or the This expression was substituted for the expression "mortgage banks" by section 4 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). This expression was substituted for the expression "Central Mortgage Bank" by ibid. 8 These words, figures and letter were inserted by section 8 of the Madras Co-operative Land Mortgage Banks (Amendment) Act, 1950 (Madras Act IX of 1950). Sections 38-A, 38-B and 38-C were added by section 7 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of

1969). 125-14—29A 452 Co-operative Land [1934 : T. N. Act X Development Bank Construction of references to "Central Mortgage "mortgage bank". Act to override other laws. next session, both Houses agree in making any modification in any such rule or both Houses agree that the rule 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 of anything previously done under that 33-B. References to a " Central Mortgage Bank " and " Mortgage bank " in any law or instrument for the time being in force in this State, shall with effect on and from the date of the commencement of the Amendment Act, be construed as references to the State Land Development Bank " and " primary respectively. land development bank " 38-C. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in 2% Tamil Nadu Co-operative Societies Act, 1933 [or in any 1961 (2[Tamil Nadu] Act 53 of 1961) rule or by-law (including the by-law of any registered co-operative society) or in any other law] in force at the time being in force, Sections 38-A, 38-B and 38-C were added by section 7 of the Tamil Nadu Co-operative Land Mortgage Banks (Amendment) Act, 1969 (Tamil Nadu Act 14 of 1969). These words were substituted for the word " Madras " by the Tamil Nadu Adaptation of Laws Order, 1969, as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969. * These words and brackets were substituted for the words "or in any other law " by section 4 of the Tamil Nadu Co-operative Land Development Banks (Amendment) Act, 1970 (Tamil Nadu Act 4 of 1970), 1979 : T. N. Act 351 Co-operative Land Development Banks (Amendment) TAMIL NADU ACT NO. 35 OF 1979.* THE TAMIL NADU CO-OPERATIVE LAND DEVELOPMENT BANKS (AMENDMENT) ACT, 1979. (Received the assent of the Governor on the 30th May 1979, first published in the Tamil Nadu Government Gazette Extraordinary on the 2nd June 1979 (Vaikasi 19, Chitharthi (2010—Tiruyalluvar An Act further to amend the Tamil Nadu Co-operative Land Development Banks Act, 1934. BB it enacted by the Legislature of the State of Tamil Nadu in the Thirtieth Year of the Republic of India as follows I. This Act may be called the Tamil Nadu Co-operative Land Development Banks (Amendment) Act, 1979

2. For section 3-D of the Tamil Nadu Co-operative Land Development Banks Act, 1934 (Tamil Nadu Act X of 1934) (hereinafter referred to as the principal Act), the following section shall be substituted, namely :—Tamil Nadu Act X of 1934. " 3-D. Purposes for which loans may be granted.— A primary land development bank or the State Land Development Bank may grant loans for all or any of the following purposes, namely :— (a) development of agriculture including making land fit for cultivation, improvement of land, development of sources of irrigation ; (b) (i) animal husbandry, (ii) pisciculture including fish catching, (iii) apiculture, (iv) sericulture * For Statement of Objects and Reasons, see Tamil Nadu Government Gazette Extraordinary, dated the 25th April 1979, Part IV—Section 1, Page 269, 125-10--632. 995 Co-operative Land Development [1979 : T. N. Act 351 Banks (Amendment) and all activities incidental or ancillary thereto ; (c) activities connected with storage, transport and marketing of produce of agriculture, animal husbandry, pisciculture, apiculture and sericulture ; (d) purchase of tools, implements, machinery and cattle for use in any of the above purposes ; (e) such other purposes as the State Government may, by notification, specify in this behalf. Explanation,—For the purposes of this section— (a) ' agriculture' includes horticulture, raising of crops (including plantation, tree-crops and garden produce), seed farming and forestry ; and (b) ' animal husbandry' includes cattle dairy farming, piggy and poultry farming

3. In sub-section (1) of section 4-A of the principal Amendment of section 4.A, Act, for the words ' in respect of loans granted to the Tamil Nadu State Electricity Board ', the words ' in respect of loans granted to the Tamil Nadu State Electricity Board ' shall be substituted, namely :— (i) corporations ; (ii) local bodies ; (iii) institutions ; (iv) co-operative societies ; and (v) individuals as approved by the State Government 'Q be " in shall