THE LAND IMPROVEMENT LOANS ACT, 1883

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SECTIONS

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THE LAND IMPROVEMENT LOANS ACT, 1883

ACT NO. 19 OF 1883[1]

[12*th October*, 1883.]

An Act to consolidate and amend the law relating to loans of money by the Government for agricultural improvements.

WHEREAS it is expedient to consolidate and amend the law relating to loans of money by the Government for agricultural improvements; It is hereby enacted as follows:—

1. Short title.—(*1*) This Act may be called the Land Improvement Loans Act, 1883.

(*2*) Local extent. Commencement.—It extends to the whole of India except [2][the territories which, immediately before the 1st November, 1956, were comprised in Part B States], but shall not come into force in any part of [3][the territories to which this Act extends] until such date as the State Government [4]*** may, by notification in the Official Gazette, appoint in this behalf.

STATE AMENDMENT

Maharashtra

Extension of Acts no. XIX of 1883 and No. XII of 1884 to Hyderabad and Saurashtra area of the State of Bombay.—The Land Improvement Loan Act, 1883 and the Agriculturists' Loans Act, 1884, (XIX of 1883), are hereby extended to and shall be, in virtue of such extension, in force in the Hyderabad and Saurashtra area of the State of Bombay.

[*Vide* Bombay Act XXVII of 1958, s. 2]

Maharashtra

Consequential and other amendments to Act XIX of 1883.—In section 1, to sub-section (2) the following proviso shall be added, namely:--

"Provided that on the commencement of the Land Improvement Loans and Agriculturists' Loans (Extension and Amendment) Act, 1957, this Act shall also extend to and be in force in, the Hyderabad and Saurashtra areas of the state of Bombay."

[*Vide* Bombay act XXVII of 1958, s. 3]

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1. The Act has been amended in its application to the State of Madhya Pradesh by the C.P. and Berar Land Improvement Loans (Amendment) Act, 1949 (C. P. & B. 55 of 1949).
   Bombay by Bombay Act 27 of 1958, U.P. by U.P. Act 42 of 1958 and Haryana by Haryana Act 26 of 1971. The Act has been extended to the Hyderabad and Saurasthra area of the State of Bombay by Bombay Act 27 of 1958.
   The Act as at present in force in the State of Gujarat, extended to the Union territory of Dadra and Nagar Haveli by G.S.R. 1639, dated 3-12-1962. Madhya Pradesh by Madhya Pradesh Act 23 of 1958 (when notified), to Goa, Daman and Diu with modifications, by Reg. 12 of 1962, s. 3 and Sch. and to the whole of the Union territory of Lakshadweep by Reg. 8 of 1965, s. 3 and Sch. (w.e.f. 1-10-1967).
   The Act has been repealed in its application to Bellary District by Mysore Act 14 of 1955 and to Malabar District of Kerala by Kerala Act 27 of 1961.
   Instruments executed by persons taking loans, or by their sureties, as security for the repayment of such loans, are exempted from stamp-duty—*see* the Indian Stamp Act, 1899 (2 of 1899), Sch. I. Art. 40, exemption (*1*) and notification under s. 9.
2. Subs. by the Adaptation of Laws (No. 2) Order, 1956, for "Part B States".
3. Subs., *ibid.*, for "a Part A State or a Part C State".
4. The words "with the previous sanction of the G.G. in C," rep. by Act 8 of 1906, s. 2.

2. Acts 26 of 1871 and 21 of 1876 repealed.—(*1*) The Land Improvement Act, 1871, and Act XXI of 1876 *(An Act to amend the Land Improvement Act, 1871*), shall, except as regards the recovery of advances made before this Act comes into force and costs incurred by the Government in respect of such advances, be repealed.

(*2*) When in any Act, Regulation or Notification passed or issued before this Act comes into force, reference is made to either of those Acts, the reference shall, so far as may be practicable, be read as applying to this Act or the corresponding part of this Act.

3. "Collector" defined.—In this Act, "Collector" [1]means the Collector of land-revenue of a district, or the Deputy Commissioner, or any officer empowered by the State Government by name or by virtue of his office to discharge the functions of a Collector under this Act.

4. Purposes for which loans may be granted under this Act.—(*1*) Subject to such rules as may be made under section 10, loans may be granted under this Act, by such officer as may, from time to time, be empowered in this behalf by the State Government, for the purpose of making any improvement, to any person having a right to make that improvement, or, with the consent of that person, to any other person.

(*2*) "Improvement" means any work which adds to the letting value of land, and includes the following, namely:-

(*a*) the construction of wells, tanks and other works for the storage, supply or distribution of water for the purposes of agriculture, or for the use of men and cattle employed in agriculture;

(*b*) the preparation of land for irrigation;

(*c*) the drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes or wasteland which is culturable;

(*d*) the reclamation, clearance, enclosure or permanent improvement of land for agricultural purposes;

(*e*) the renewal or reconstruction of any of the foregoing works, or alterations therein or additions thereto; and

(*f*) such other works as the State Government [2]*** may, from time to time, by notification in the Official Gazette, declare to be improvements for the purposes of this Act.

STATE AMENDMENT

Maharashtra

In section 4, in sub-section (2), for the words "any work which adds to the letting value of land" the words "in relation, to any land, any work which adds to the value of the land and which is suitable thereto as also consistent with the purpose for which it is held" shall be substituted.

[*Vide* Bombay Act XXVII of 1958, s. 3]

5. Mode of dealing with applications for loans.—(*1*) When an application for a loan is made under this Act, the officer to whom the application is made may, if it is, in his opinion, expedient that public notice be given of the application, publish a notice, in such manner as the State Government may, from time to time, direct, calling upon all persons

1. *Cf.* the definition in s. 3 *(10)* of the General Clauses Act, 1897 (10 of 1897).
2. The words "with the previous sanction of the G. G. in C." omitted by Act 8 of 1906, s. 2.

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objecting to the loan to appear before him at a time and place fixed therein and submit their objections.

(*2*) The officer shall consider every objection submitted under sub-section (*1*), and make an order in writing either admitting or overruling it:

Provided that, when the question raised by an objection is, in the opinion of the officer, one of such a nature that it cannot be satisfactorily decided except by a Civil Court, he shall postpone his proceedings on the application until the question has been so decided.

6. Period for repayment of loans.—(*1*) Every loan granted under this Act shall be repayable by instalments (in the form of an annuity or otherwise), within such period from the date of the actual advance of the loan, or, when the loan is advanced in instalments, [1][from the date of the advance of the last instalment actually paid] as may, from time to time, be fixed by the rules made under this Act.

(*2*) The period fixed as aforesaid shall not ordinarily exceed thirty-five years.

(*3*) The State Government [2]***, in making [3]*** the rules fixing the period, shall, in considering whether the period should extend to thirty-five years, or whether it should extend beyond thirty-five years, have regard to the durability of the work for the purpose of which the loan is granted, and to the expediency of the cost of the work being paid by the generation of persons who will immediately benefit by the work.

7. Recovery of loans.—(*1*) Subject to such rules as may be made under section 10, all loans granted under this Act, all interest (if any) chargeable thereon, and costs (if any) incurred in making the same, shall, when they become due, be recoverable by the Collector in all or any of the following modes, namely:—

(*a*) from the borrower—as if they were arrears of land-revenue due by him;

(*b*) from his surety (if any)—as if they were arrears of land-revenue due by him;

(*c*) out of the land for the benefit of which the loan has been granted—as if they were arrears of land-revenue due in respect of that land;

(*d*) out of the property comprised in the collateral security (if any)—according to the procedure for the realization of land-revenue by the sale of immovable property other than the land on which that revenue is due:

Provided that no proceeding in respect of any land under clause (*c*) shall affect any interest in that land which existed before the date of the order granting the loan, other than the interest of the borrower, and of mortgagees of, or persons having charges on, that interest, and, where the loan is granted under section 4 with the consent of another person, the interest of that person, and of mortgagees of, or persons having charges on, that interest.

(*2*) When any sum due on account of any such loan, interest or costs is paid to the Collector by a surety or an owner of property comprised in any collateral security, or is recovered under sub-section (*1*) by the Collector from a surety or out of any such property, the Collector shall, on the application of the surety or the owner of that property (as the case may be), recover that sum on his behalf from the borrower, or out of the land for the benefit of which the loan has been granted, in manner provided by sub-section (*1*).

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

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1. Subs. by Act 18 of 1899, s. 2, for "from the date of the actual advance of the last instalment".
2. The words "and G. G. in C." omitted by Act 8 of 1906, s. 3.
3. The words "and sanctioning" omitted by s. 3. *ibid.*

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

(*a*) that the work described is an improvement within the meaning of this Act;

(*b*) that the person mentioned had at the date of the order a right to make such an improvement; and

(*c*) that the improvement is one benefiting the land specified.

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

10. Power to make rules.—The State Government [1]*** may, from time to time, by notification in the Official Gazette, make rules consistent with this Act to provide for the following matters, namely:—

(*a*) the manner of making applications for loans;

(*b*) the officers by whom loans may be granted;

(*c*) the manner of conducting inquiries relative to applications for loans, and the powers to be exercised by officers conducting those inquiries;

(*d*) the nature of the security to be taken for the due application and repayment of the money, the rate of interest at which, and the conditions under which, loans may be granted, and the manner and time of granting loans;

(*e*) the inspection of works for which loans have been granted;

(*f*) the instalments by which, and the mode in which, loans, the interest to be charged on them and the costs incurred in the making thereof, shall be paid;

(*g*) the manner of keeping and auditing the accounts of the expenditure of loans and of the payments made in respect of the same; and

(*h*) all other matters pertaining to the working of the Act.

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

Provided as follows—

(*1*) where the improvement consists of the reclamation of wasteland, or of the irrigation of land assessed at unirrigated rates, the increase may be so taken into account after the expiration of such period as may be fixed by rules to be framed by the State Government [2]*** ;

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1. The words "subject to the control of the G.G. in C," omitted by Act 4 of 1914, s. 2 and the Schedule, Part I.
2. The words "with the approval of the G.G. in C." omitted by Act 8 of 1906. s. 5.

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

[1]**[12. Certain powers of State Government to be exercisable by Board of Revenue or Financial Commissioner.—**The powers conferred on a State Government by sections 4 (*1*), 5 (*1*) and 10 may, in a State for which there is a Board of Revenue or a Financial Commissioner, be exercised in the like manner and subject to the like conditions by such Board or Financial Commissioner, as the case may be: Provided that rules made by a Board of Revenue or Financial Commissioner shall be subject to the Control of the State Government.]

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1. S. 12 ins. by Act 4 of 1914, s. 2 and Sch., Pt. I. The original s. 12 had been rep. by Act 16 of 1908. The application of this section has been barred in U.P. by the U.P. Board of Revenue Act, 1922 (U.P. 12 of 1922).