The Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976

Act 16 of 1976

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THE TAMIL NADU INDEBTED PERSONS (TEMPORARY RELIEF) ACT, 1976.

[Received the assent of the President on the 16th April 1976, first published in the Tamil Nadu Government Gazette Extraordinary on the 17th April 1976 (Chithirai 5, Nala (2007 - Tiruvalluvar Andu)).]

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

An Act to provide temporary relief to certain indebted persons 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. (1) This Act may be called the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976.

(2) It extends to the whole of the State of Tamil Nadu.

(3) It shall be deemed to have come into force on the 15th day of January, 1976.

2. In this Act, unless the context otherwise requires,—

(1) "debt" means any liability in cash or kind, whether secured or unsecured, due from an indebted person whether payable under a decree or order of a civil or revenue court or otherwise, but does not include—

(i) rent as defined in clause (5) ;

(ii) any debt to which the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976, is applicable ;

*For Reasons for the enactment, see Tamil Nadu Government Gazette Extraordinary, dated the 17th April 1976, Part IV—Section 2, Pages 160—161.*
Provided that a person shall not be deemed to be an indebted person, if he—

(i) has in both the financial years ending on the 31st day of March, 1974 and the 31st day of March, 1975, been assessed to income-tax under the Income-tax Act, 1961 (43 of 1961), or under the income-tax law in force in any foreign country; or

(ii) has in both the financial years ending on the 31st day of March, 1974 and the 31st day of March, 1975, been assessed to sales tax under the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959), or under the Central Sales Tax Act, 1956 (74 of 1956); or

(iii) has in all the four half-years immediately preceding the 1st April 1975 been assessed to property or house-tax in respect of buildings or lands other than agricultural lands, under the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920), the Madras City Municipal Corporation Act, 1919 (Tamil Nadu Act IV of 1919), the Madurai City Municipal Corporation Act, 1971 (Tamil Nadu Act 15 of 1971), the Tamil Nadu Panchayats Act, 1958 (Tamil Nadu Act XXXV of 1958), the Cantonments Act, 1924 (2 of 1924), or any law governing Municipal or local bodies in this State or in any other State or Union territory, provided that the aggregate annual rental value of such buildings and lands whether let out or in the occupation of the owner, is not less than two thousand and four hundred rupees.

Explanation.—The annual rental value of any building or land for the purposes of clause (iii) of this proviso shall—

(1) where the assessment is based on the annual rental value, be deemed to be such value;

(2) where the assessment is based on the capital value, be deemed to be five per cent of the capital value; and
(3) in any other case, be deemed to be the value ascertained in the prescribed manner:

Provided further that a person shall not be deemed to be an indebted person if he is an agriculturist as defined in the Tamil Nadu Agriculturists Relief Act, 1938 (Tamil Nadu Act IV of 1938), and entitled to the benefits of that Act;

(3) “pay”, with its grammatical variations, includes deliver;

(4) “person” means an individual and includes an undivided Hindu family, a marumakkattayam or aliyasantana tarwad or tavazhi, but does not include a body corporate, a charitable or religious institution or an unincorporated company or association or any firm as defined in the Indian Partnership Act, 1932 (9 of 1932);

(5) “rent” means the rent payable by any tenant to the owner of any building in respect of such building or portion thereof occupied by such tenant.

Explanation.—For the purposes of this clause, the expression “building” shall have the same meaning as in clause (2) of section 2 of the Tamil Nadu Buildings (Lease and Rent Control) Act, 1960 (Tamil Nadu Act 18 of 1960);

(6) “suit” or “application” does not include an appeal from a decree or order passed in a suit or application or an application for revision or review.

3. Nothing in this Act shall affect debts and liabilities of any indebted person falling under the following heads:

(a) any revenue, tax or cess payable to the State Government or any other sum due to them by way of loan or otherwise;

(b) any revenue, tax or cess payable to the Central Government or any other sum due to it, by way of loan or otherwise;

(c) any tax or cess payable to any local authority or any other sum due to it, by way of loan or otherwise;
(d) any liability in respect of any sum due to any co-operative society including a land development bank registered or deemed to be registered under the Tamil Nadu Co-operative Societies Act, 1961 (Tamil Nadu Act 53 of 1961):

Provided that where the liability mentioned in this clause arises by reason of an assignment to any such co-operative society either such assignment has taken place before the 15th day of March 1975 or is an assignment to any such co-operative society of a loan granted by another such co-operative society;

(e) any liability arising out of breach of trust;

(f) any liability in respect of maintenance whether under a decree of court or otherwise;

(g) any liability in respect of wages or remuneration due as salary or otherwise for services rendered;

(h) any liability in respect of any sum due to—

(A) any Public Company as defined in the Companies Act, 1956 (1 of 1956);

(B) any banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies;

(C) the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955);

(D) any subsidiary bank as defined in clause (k) of section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959);

(E) any corresponding new bank as defined in clause (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970);

(F) any company or corporation owned or controlled by the Central Government or any State Government;
(G) the Committee for the Administration of the Amalgamated Tamil Nadu Shares of the Post-War Services Reconstruction Fund and Special Fund for Reconstruction and Rehabilitation of Ex-servicemen;

(H) any other financial institution notified by the State Government in the Tamil Nadu Government Gazette;

1[(i) any liability incurred or arising under any chit, the bye-laws of which have been registered under the Tamil Nadu Chit Funds Act, 1961 (Tamil Nadu Act 24 of 1961)];

2[(j) any liability in respect of any sum due to any company which is declared to be a Nidhi or Mutual Benefit Society under sub-section (1) of section 620-A of the Companies Act, 1956 (Central Act 1 of 1956)].

4. No suit for the recovery of a debt shall be instituted, and no application for the execution of a decree for payment of money passed in a suit for the recovery of a debt shall be made, against any indebted person in any civil or revenue court on and from the date of commencement of this Act and before the expiry of

[two years and six months] from the said date.

Explanation I.—"Suit" does not include a claim to a set-off made in a suit instituted by an indebted person.

Explanation II.—A suit shall be deemed to be a suit for the recovery of a debt notwithstanding that other reliefs are prayed for in such suit, and a decree shall be deemed to be a decree for payment of money passed in such suit notwithstanding that other reliefs are granted by such decree:

1 This clause was inserted and was deemed always to have been inserted by section 3 of the Tamil Nadu Debt Relief Laws (Amendment) Act, 1976 (President's Act 46 of 1976).

2 This clause was inserted and was deemed always to have been inserted by section 3 of the Tamil Nadu Debt Relief Laws (Second Amendment) Act, 1978 (Tamil Nadu Act 27 of 1978).

3 These words were substituted for the words "two years" by section 3(a) of the Tamil Nadu Debt Relief Laws (Amendment) Act, 1978 (Tamil Nadu Act 2 of 1978). [The words "two years" were earlier substituted by section 3(a) of the Tamil Nadu Debt Relief Laws (Second Amendment) Act, 1977 (Tamil Nadu Act 1 of 1977) for the words "one year and six months" which in turn were substituted for the words "one year" by section 3(a) of the Tamil Nadu Debt Relief Laws (Amendment) Act, 1977 (President's Act 3 of 1977)].
Provided that a suit for possession of land shall not be deemed to be a suit for recovery of a debt by reason merely of mesne profits being also prayed for in such suit.

5. (1) All further proceedings in suits and applications of the nature mentioned in section 4 in which relief is claimed against an indebted person, not being proceedings for the amendment of pleadings or for the addition, substitution, or the striking off of parties, but otherwise inclusive of proceedings consequent on orders or decrees made in appeals, revision petitions, or applications for review, shall, subject to the next succeeding sub-section, stand stayed until the expiry of [two years and six months] from the date of commencement of this Act:

Provided that in regard to property under attachment the court may pass such orders as it deems necessary for the custody or preservation of the property or for the sale of such property if it is subject to speedy or natural decay, or, if in respect of it, the expenses of custody or preservation are considered excessive.

(2) On application made by the defendant or the respondent or by all the defendants or all the respondents, as the case may be, the stay effected by sub-section (1) in a suit or application shall be dissolved and the suit or application shall be proceeded with from the stage which had been reached when further proceedings in the suit or the application were stayed.

6. In computing the period of limitation or limit of time prescribed for a suit for the recovery of a debt or an application for the execution of a decree passed in such suit, the time during which the institution of the suit or the making of the application was barred by section 4, or during which the plaintiff or his predecessor-in-title, believing in good faith that section 4 applied to such suit or such application, refrained from instituting the suit or making the application, shall be excluded.

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1 These words were substituted for the words “two years” by section 3(b) of the Tamil Nadu Debt Relief Laws (Amendment) Act, 1978 (Tamil Nadu Act 2 of 1978). [The words “two years” were earlier substituted by section 3(b) of the Tamil Nadu Debt Relief Laws (Second Amendment) Act, 1977 (Tamil Nadu Act 1 of 1977) for the words “one year and six months” which in turn were substituted for the words “one year” by section 3(b) of the Tamil Nadu Debt Relief Laws (Amendment) Act, 1977 (President’s Act 3 of 1977).]
Effect of transfer of immovable property by an indebted person.

7. Every transfer of immovable property by an indebted person entitled to the benefit of section 4 or section 5, made after the date of commencement of this Act and before the expiry of [two years and six months] from the said date, shall, in any suit or other proceeding, with respect to such transfer, be presumed until the contrary is proved, to have been made with intent to defeat or delay the creditors of the transferor.

Act to override other laws, contracts, etc.

8. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in the Code of Civil Procedure, 1908 (5 of 1908), or in any other law for the time being in force, or any custom, usage or contract, or decree or order of a court or other authority.

Power to make rules.

9. (1) The State Government may make rules to carry out the purposes of this Act.

(2) All rules made under this Act shall be published in the Tamil Nadu Government Gazette, and unless they are expressed to come into force on a particular day shall come into force on the day 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 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 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 rule.

Repeal and saving.

10. (1) The Tamil Nadu Indebted Persons (Temporary Relief) No. 2 Ordinance, 1976 (Tamil Nadu Ordinance 8 of 1976), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provision of this Act.

1 These words were substituted for the words “two years” by section 3(c) of the Tamil Nadu Debt Relief Laws (Amendment) Act, 1978 (Tamil Nadu Act 2 of 1978). [The words “two years” were earlier substituted by section 3(c) of the Tamil Nadu Debt Relief Laws (Second Amendment) Act, 1977 (Tamil Nadu Act 1 of 1977) for the words “one year and six months” which in turn were substituted for the words “one year” by section 3(c) of the Tamil Nadu Debt Relief Laws (Amendment) Act, 1977 (President’s Act 3 of 1977).]
PRESIDENT'S ACT NO. 46 OF 1976.*

THE TAMIL NADU DEBT RELIEF LAWS (AMENDMENT) ACT, 1976.

[Received the assent of the President on the 29th December 1976, first published in the Tamil Nadu Government Gazette Extraordinary on the 29th December 1976 (Margazhi 15, Nal: (2007—Tiruvalluvar Andu)).]

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

An Act to amend the Tamil Nadu Debt Relief Laws.

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. This Act may be called the Tamil Nadu Debt Relief Laws (Amendment) Act, 1976.

2. [The amendment made by this section has already been incorporated in the principal Act, namely, the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976 (President's Act 15 of 1976).]

3. [The amendment made by this section has already been incorporated in the principal Act, namely, the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 (President's Act 16 of 1976).]

4. [The amendment made by this section has already been incorporated in the principal Act, namely, the Tamil Nadu Debt Relief Act, 1976 (President's Act 31 of 1976).]

* For Reasons for the enactment, see Tamil Nadu Government Gazette Extraordinary, dated the 29th December 1976, Part IV—Section 2, Page 354.
5. (1) Where, on or after the 15th day of January, 1976, but before the date of publication of this Act in the Tamil Nadu Government Gazette, any suit for the recovery of any amount towards any liability incurred or arising under any chit, the bye-laws of which have been registered under the Tamil Nadu Chit Funds Act, 1961 (Tamil Nadu Act 24 of 1961) could have been instituted or any application for the execution of a decree passed in any such suit could have been made but for the fact that the institution of the suit or the making of the application was barred by section 3 of the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976 (President’s Act 15 of 1976), or by section 4 of the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 (President’s Act 16 of 1976), as the case may be, then, in computing the period of limitation or limit of time prescribed for such suit or application, the period commencing on and from the 15th day of January 1976, and ending with the date of publication of this Act in the Tamil Nadu Government Gazette shall be excluded.

(2) Where any proceedings in any of the suits or applications of the nature mentioned in sub-section (1) were stayed by sub-section (1) of section 4 of the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976 (President’s Act 15 of 1976), or by sub-section (1) of section 5 of the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 (President’s Act 16 of 1976), as the case may be, the stay effected in respect of such proceedings by sub-section (1) of the said section 4 or by sub-section (1) of the said section 5, as the case may be, shall stand dissolved and such suit or application shall be proceeded with from the stage which had been reached when further proceedings in such suit or application were stayed.

6. (1) Any liability incurred or arising under any chit, the bye-laws of which have been registered under the Tamil Nadu Chit Funds Act, 1961 (Tamil Nadu Act 24 of 1961), shall be deemed never to have been discharged, every suit or other proceedings (including appeal, revision, attachment or execution proceeding) pending at the commencement of the Tamil Nadu Debt Relief Act, 1976 (President’s Act 31 of 1976), (hereinafter referred to as the said Act) against any debtor for the recovery of any debt in respect of any such liability (including interest, if any) shall be deemed never to have abated, and every mortgage executed by the debtor in respect of such liability in favour
of the creditor shall be deemed never to have been redeemed and the mortgaged property shall be deemed never to have been released in favour of such debtor under section 4 of the said Act, and any suit for the recovery of any amount liable under the chit from any debtor and any application for the execution of a decree passed in any such suit may be instituted or made, as if the said Act as amended by section 4 of this Act was in force at the relevant time.

(2) Every proceeding instituted under the provisions of the said Act, in respect of such liability as is referred to in sub-section (1) and pending before the Tahsildar or other authority on the date of publication of this Act in the Tamil Nadu Government Gazette shall abate.

(3) Nothing contained in this section shall be deemed to invalidate any proceeding in which the order passed has been executed or satisfied in full before the date of publication of this Act in the Tamil Nadu Government Gazette.
Debt Relief Laws (Second Amendment) Act, 1977

Tamil Nadu Act No. 1 of 1977.

The Tamil Nadu Debt Relief Laws (Second Amendment) Act, 1977.

[Received the assent of the Vice-President acting as President on the 13th July 1977, first published in the Tamil Nadu Government Gazette Extraordinary on the 13th July 1977 (Ani 29, Pinkala (2008-Tiruvalluvar Andu)).]

An Act further to amend the Tamil Nadu Debt Relief Laws.

Be it enacted by the Legislature of the State of Tamil Nadu in the Twenty-eighth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Tamil Nadu Debt Relief Laws (Second Amendment) Act, 1977.

2. [The amendments made by this section have already been incorporated in the principal Act, namely, the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976 (President’s Act 15 of 1976).]

3. [The amendments made by this section have already been incorporated in the principal Act, namely, the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 (President’s Act 16 of 1976).]

Debt Relief Laws [1977: President's Act 3 (Amendment)]

PRESIDENT'S ACT NO. 3 OF 1977.*

THE TAMIL NADU DEBT RELIEF LAWS (AMENDMENT) ACT, 1977.

[Received the assent of the President on the 12th January 1977, first published in the Tamil Nadu Government Gazette Extraordinary on the 12th January 1977 (Margazhi 29, Nala (2007-Tiruvalluvar Andu)].]

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

An Act further to amend the Tamil Nadu Debt Relief Laws.

In exercise of the powers conferred by section 3 of the Tamil Nadu State Legislature (Delegation of Powers) Act, 1976 (41 of 1936), the President is pleased to enact as follows:—

1. This Act may be called the Tamil Nadu Debt Relief Laws (Amendment) Act, 1977.

2. [The amendments made by this section have already been incorporated in the principal Act, namely, the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976 (President's Act 15 of 1976).]

3. [The amendments made by this section have already been incorporated in the principal Act, namely, the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 (President's Act 16 of 1976).]


*For Reasons’ or the enactment, see Tamil Nadu Government Gazette Extraordinary, dated the 12th January 1977, Part IV—Section 2, Pages 11-12.

TAMIL NADU ACT NO. 2 OF 1978.*

THE TAMIL NADU DEBT RELIEF LAWS (AMENDMENT) ACT, 1978.

[Received the assent of the President on the 12th January 1978, first published in the Tamil Nadu Government Gazette Extraordinary on the 12th January 1978 (Margazhi 28, Pinkala (2008—Tiruvalluvar Andu).]

An Act further to amend the Tamil Nadu Debt Relief Laws.

Be it enacted by the Legislature of the State of Tamil Nadu in the Twenty-eighth Year of the Republic of India as follows :—

1. This Act may be called the Tamil Nadu Debt Relief Laws (Amendment) Act, 1978. Short title.

2. [The amendments made by this section have already been incorporated in the principal Act, namely, the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976 (President’s Act 15 of 1976).]

3. [The amendments made by this section have already been incorporated in the principal Act, namely, the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 (President’s Act 16 of 1976).]

4. In the Tamil Nadu Pawnbrokers Act, 1943 (Tamil Nadu Act XXIII of 1943), in section 12-A, in sub-section (1), in clause (ii), for the figures, letters and words “15th day of January 1978”, the figures, letters and words “15th day of July 1978” shall be substituted.

* For Statement of Objects and Reasons, see Tamil Nadu Government Gazette Extraordinary, dated the 2nd January 1978, Part IV—Section 1, Pages 2—3.
Tamil Nadu Act No. 27 of 1978.*

The Tamil Nadu Debt Relief Laws (Second Amendment) Act, 1978.

[Received the assent of the President on the 8th June 1978, first published in the Tamil Nadu Government Gazette Extraordinary on the 13th June 1978 (Vaikasi 30, Kalayukti (2009—Tiruvalluvar Andu)).]

An Act further to amend the Tamil Nadu Debt Relief Laws.

Be it enacted by the Legislature of the State of Tamil Nadu in the Twenty-ninth Year of the Republic of India as follows:—

1. This Act may be called the Tamil Nadu Debt Relief Laws (Second Amendment) Act, 1978.

2. [The amendment made by this section has been incorporated in the principal Act, namely, the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976 (President’s Act 15 of 1976).]

3. [The amendment made by this section has been incorporated in the principal Act, namely, the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 (President’s Act 16 of 1976).]

4. [The amendment made by this section has been incorporated in the principal Act, namely, the Tamil Nadu Debt Relief Act, 1976 (President’s Act 31 of 1976).]

5. (1) Where, on or after the 15th day of January 1976, but before the date of publication of this Act in the Tamil Nadu Government Gazette, any suit for the recovery of any sum due to any company which is declared to be a Nidhi or Mutual Benefit Society under sub-section (I) of section 620-A of the Companies Act, 1956 (Central Act 1 of 1956), could have been instituted or any application for the execution of a decree passed in any suit could have been made

* For Statement of Objects and Reasons, see Tamil Nadu Government Gazette Extraordinary, dated the 31st March 1978, Part IV—Section 1, Pages 343-344.
but for the fact that the institution of the suit or the making of the application was barred by section 3 of the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976 (President's Act 15 of 1976), or section 4 of the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 (President's Act 16 of 1976), as the case may be, then, in computing the period of limitation or limit of time prescribed for such suit or application, the period commencing on and from the 15th day of January 1976 and ending with the date of publication of this Act in the Tamil Nadu Government Gazette shall be excluded.

(2) Where any proceedings in any of the suits or applications of the nature mentioned in sub-section (1) were stayed by sub-section (1) of section 4 of the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1976 (President's Act 15 of 1976), or of section 5 of the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1976 (President's Act 16 of 1976), as the case may be, the stay effected in respect of such proceedings by sub-section (1) of the said section 4 or 5, as the case may be, shall stand dissolved and such suit or application shall be proceeded with from the stage which had been reached when further proceedings in such suit or application were stayed.

6. (1) Any liability in respect of any sum due to any company which is declared to be a Nidhi or Mutual Benefit Society under sub-section (1) of section 620-A of the Companies Act, 1956 (Central Act 1 of 1956), shall be deemed never to have been discharged, every suit or other proceedings (including appeal, revision, attachment or execution proceedings) pending at the commencement of the Tamil Nadu Debt Relief Act, 1976 (President's Act 31 of 1976) (hereinafter referred to as the said Act) against any debtor for the recovery of any debt in respect of any such liability (including interest, if any) shall be deemed never to have abated, every movable property pledged by a debtor in respect of such liability in favour of such company shall be deemed never to have been released in favour of such debtor and every mortgage executed by the debtor in respect of such liability in favour of such company shall be deemed never to have been redeemed and the mortgaged property shall be deemed never to have been released in favour of such debtor, under section 4 of the said Act, and any suit for the recovery of any sum due to such company from any debtor and any application for the execution of a decree passed in any such suit may be instituted, or made, as if the said Act, as amended by section 4 of this Act, was in force at the relevant time.
(2) Every proceeding instituted under the provisions of the said Act, in respect of such liability as is referred to in sub-section (1) and pending before the Tahsildar or other authority on the date of publication of this Act in the Tamil Nadu Government Gazette shall abate.

(3) Nothing contained in this section shall be deemed to invalidate any proceeding in which the order passed has been executed or satisfied in full before the date of publication of this Act in the Tamil Nadu Government Gazette.