



The Uttar Pradesh Debt Relief (Amendment) Act, 1978

Act 2 of 1979

Keyword(s):

Debt Relief, Debtor, Debt Settlement, Immovable Property, Debt Settlement Officer

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विधान पुस्तकालय
(राजकीय प्रकाशन)
उत्तर प्रदेश, लखनऊ

THE UTTAR PRADESH DEBT RELIEF (AMENDMENT) ACT, 1978

[U. P. ACT NO. 2 OF 1979]

[Authoritative English text of the Uttar Pradesh Rin Anutosh (Sanshodhan)
Adhiniyam, 1978]

AN

ACT

to amend the Uttar Pradesh Debt Relief Act, 1977

IT IS HEREBY enacted in the Twenty-ninth Year of the Republic of India follows:—

1. This Act may be called the Uttar Pradesh Debt Relief (Amendment) Act, 1978.

Short title.

2. In section 2 of the Uttar Pradesh Debt Relief Act, 1977 hereinafter referred to as the principal Act—

Amendment of
section 2 of U.P.
Act no. 4 of 1977.

(a) in clause (4), for the words "heirs of such person", the words "heirs or assignees of such person" shall be substituted and be deemed always to have been substituted;

(b) in clause (8), after the word "person" where it occurs for the first time, the word "residing in a village" shall be inserted and be deemed always to have been inserted;

(c) after Explanation III, the following Explanation shall be inserted and be deemed always to have been inserted, namely:—

"Explanation IV—Where a person has transferred any property before the commencement of this Act and any proceeding for the annulment of such transfer under the Provincial Insolvency Act, 1920 is pending on the date of such commencement, then the question whether the transferor is a marginal farmer or a small farmer shall be determined only after considering the final orders made in such proceedings."

[For Statement of Objects and Reasons, please see Uttar Pradesh Gazette (Extraordinary), dated March 9, 1978].

(Passed in Hindi) by the Uttar Pradesh Legislative Assembly on August 23, 1978 and by the Uttar Pradesh Legislative Council on November 6, 1978.

Received the assent of the President on January 2, 1979 under Article 201 of the Constitution of India and was published in Part I (a) of the Legislative Supplement of the Uttar Pradesh Gazette Extraordinary, dated January 6, 1979.

Amendment of
section 4.

3. In section 4 of the principal Act, for clause (b), the following clause shall be inserted and be deemed always to have been inserted, namely:—

“(b) every debt payable on the date of such commencement by a debtor whose annual household income exceeds two thousand and four hundred rupees shall be wholly discharged, if the debtor—

(i) has paid, in the discharge of his debt, a sum exceeding or equivalent to double the amount of principal in respect of the debt, at any time before such commencement, and such discharge shall be effective from the date of such commencement;

(ii) pays after the date of such commencement, a sum which, together with any sum already paid in the discharge of such debt, is equivalent to or exceeds double the amount of principal in respect of the debt, or the amount actually due whichever is less, and such discharge shall be effective from the date of such payment.”

Amendment of
section 5.

4. In section 5 of the principal Act—

(a) in clause (b), for the existing proviso, the following proviso shall be substituted and be deemed always to have been substituted, namely:—

“Provided that—

(i) where a suit or proceeding is instituted jointly against such debtor and any other person, nothing in this clause shall apply to the maintainability of the suit or proceeding in so far as it relates to such other person;

(ii) where a suit is instituted against a debtor jointly in respect of a debt advanced before as well as after the commencement of this Act, nothing in this clause shall apply to the maintainability of the suit in respect of the debt advanced after such commencement;”

(b) in clause (c), after the proviso, the following proviso shall be inserted and be deemed always to have been inserted, namely:—

“Provided further that the proviso to clause (b) shall *mutatis mutandis* apply to a suit or proceeding referred to in this clause as it applies to a suit or proceeding specified in that clause;”

(c) in clause (e), the words “if in possession of such property” shall be omitted;

(d) after clause (e), the following clause shall be inserted, and be deemed always to have been inserted, namely:—

“(f) every mortgage of immovable property executed by a debtor shall stand redeemed and the mortgaged property shall be released in favour of the debtor.”

Insertion of new
section 6-A.

5. After section 6 of the principal Act, the following section shall be inserted, namely:—

“6-A. (1) A debtor referred to in clause (f) section 5 may make an application to the Debt Settlement Officer having jurisdiction over the area within which such debtor ordinarily resides, for an order releasing the mortgaged property and for the grant of a certificate of redemption.

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

(b) The Debt Settlement Officer shall also direct the creditor or the transferee of the creditor—

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

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

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

(4) Where the mortgaged property has been transferred or any right therein has been assigned to any bank by the creditor, the Debt Settlement Officer shall recover from the creditor such amount as is due to such bank in respect of the said mortgaged property, as if, it were an arrear of land revenue, and shall pay the same to the said bank."

6. In section 8 of the principal Act, in sub-section (1), for the words "by the Tahsildar under section 6," the words "by the Tahsildar under section 6 or by the Debt Settlement Officer under section 6-A", shall be *substituted*.

Amendment of section 8.

7. In section 10 of the principal Act, in sub-section (3), the words "sub-section (1), or" shall be *omitted*.

Amendment of section 10.

8. In section 12 of the principal Act, for the words "not exceeding one year" the words "not exceeding two years" shall be *substituted*.

Amendment of section 12.

9. In section 14 of the principal Act, for the words "Every transfer of property made by a small farmer," the words "Every transfer of immovable property made on or after October 10, 1975 by a small farmer" shall be substituted, and be deemed always to have been *substituted*.

Amendment of section 14.

10. In section 17 of the principal Act, in sub-section (1), for the words "six months", the words "two years" shall be substituted and be deemed always to have been *substituted*.

Amendment of section 17.

11. In section 18 of the principal Act, for clause (e), the following clauses shall be substituted and be deemed always to have been *substituted*, namely:—

Amendment of section 18.

"(e) the particulars of the annual household income of the small farmer;

(f) the gross value of the agricultural produce for the year referred to in section 20."

12. In section 19 of the principal Act, in sub-section (1), for the words "at the rate of six per cent per annum," the words "at the rate specified in sub-section (2) of section 9" shall be substituted and be deemed always to have been *substituted*.

Amendment of section 19.

13. In section 20 of the principal Act, for the words "together with", the word "including" shall be *substituted*.

Amendment of section 20.

14. The existing section 21 of the principal Act, shall be re-numbered as sub-section (1), thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be *inserted*, namely:—

Amendment of section 21.

"(2) Every debt payable by a small farmer on the date of commencement of this Act in respect of which no application is made under section 17 shall, on the expiry of the period referred to in sub-section (1) of that section and subject to the provisions of section 33, stand discharged and shall not be recoverable."

15. In section 25 of the principal Act,—

Amendment of section 25.

(a) in clause (n), after the word "debtor", the words "or the small farmer" shall be inserted and be deemed always to have been *inserted*;

(b) after clause (o), the following clauses shall be inserted and be deemed always to have been *inserted*, namely:—

"(p) every liability incurred or arising under a chit conducted under any chit fund scheme ;

(q) every debt due to a widow;

(r) every dower debt;

(s) every debt arising out of breach of contract of service."

16. In section 28 of the principal Act, after the word "debtor", the words "or the small farmer" shall be inserted and be deemed always to have been *inserted*.

Amendment of section 28.

Amendment of
section 29.

17. In section 29 of the principal Act, in sub-section (1), *after* the words "production of documents", the words "and consolidation of cases" shall be *inserted*.

Amendment of
section 32.

18. In section 32 of the principal Act, *for* the existing marginal heading, the following marginal heading shall be *substituted*, namely:—
"Prohibition of appearance of legal practitioners."