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Part IV—Section 2

Tamil Nadu Acts and Ordinances.

The following Act of the Tamil Nadu Legislature received the assent of the President on the 29th November 1975 and is hereby published for general information :—

ACT No. 48 OF 1975.

An Act to provide temporary relief to certain indebted persons in the State of Tamil Nadu.

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

1. *Short title, extent and commencement.*—(1) This Act may be called the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1975.

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

(3) It shall be deemed to have come into force on the 22nd July 1975 and shall remain in force upto and inclusive of the 15th January 1976.

2. *Definitions.*—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 (6);

(ii) any debt to which the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1975 (Tamil Nadu Act 10 of 1975), is applicable;

(2) “indebted person” means any person from whom any debt is due:

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 March 1974 and the 31st March 1975, been assessed to income-tax under the Income-tax Act, 1961 (Central Act 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 March 1974 and the 31st 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 (Central Act 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 (Central Act II of 1924) or any law governing municipal or local bodies in this State or in any other State or Union territory in India, 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 proviso (iii) 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) “interest” means any amount or other thing paid or payable in excess of the principal sum borrowed or pecuniary obligation incurred, or where anything has been borrowed in kind in excess of what has been so borrowed, by whatsoever name such amount or thing may be called, and whether the same is paid or payable entirely in cash or entirely in kind or partly in cash and partly in kind and whether the same is expressly mentioned or not in the document or contract, if any;

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

(5) “person” means an individual and includes an undivided Hindu family, a marumakkattayam or aliyasantana tarward 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 (Central Act IX of 1932);

(6) “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 purpose 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);

(7) "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. *Certain debts and liabilities not to be affected.*—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 them, 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 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 (Central Act 1 of 1956);

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

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

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

4. *Bar of suits and applications.*—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 commencement of this Act and before the 16th January 1976.

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 :

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. *Stay of proceedings.*—(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 16th January 1976 :

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 proceeding in the suit or the application were stayed.

6. *Exclusion of time for limitation.*—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.

Explanation.—‘Good faith’ shall have the meaning assigned to it in section 3 (22) of the General Clauses Act, 1897 (Central Act X of 1897).

7. *Effect of transfer of immovable property by an indebted person.*—Every transfer of immovable property by an indebted person entitled to the benefit of section 4 or section 5, made after the date of the commencement of this Act and before the 16th January 1976, 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.

8. *Interest not to accrue in respect of certain debts.*—No interest shall accrue during the period of operation of this Act in respect of a debt due from an indebted person on the 22nd July 1975 but interest shall accrue in respect of any debt obtained by an indebted person after the said date.

9. *Act to override other laws, contracts, etc.*—The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in the Code of Civil Procedure, 1908 (Central Act V 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.

10. *Power to make rules.*—(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.

11. *Amendment of Tamil Nadu Act XXIII of 1943.*—In the Tamil Nadu Pawnbrokers Act, 1943 (Tamil Nadu Act XXIII of 1943), after section 12, the following section shall be inserted, namely :—

“12-A. *Interest not to accrue in respect of certain loans and pledges not to be disposed of during the period of operation of the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1975.*—(1) Notwithstanding anything contained in this Act or in any other law, custom, contract or any decree or order of any court or other authority,—

(i) no interest shall accrue in respect of a loan due to a pawnbroker on the 22nd July 1975, and

(ii) no pledge pawned shall be sold in any manner whatsoever by the pawnbroker,

during the period of operation of the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1975.

(2) Interest shall accrue in respect of a loan obtained from any pawnbroker after the 22nd July 1975.”

12. *Amendment of Tamil Nadu Act 10 of 1975.*—In the Tamil Nadu Indebted Agriculturists (Temporary Relief) Act, 1975 (Tamil Nadu Act 10 of 1975),—

(1) in the Exception to clause (c) of section 2, in item (viii), for sub-item (E), the following sub-item shall be substituted namely :—

“(E) the Agricultural Refinance Corporation, established under the Agricultural Refinance Corporation Act, 1963 (Central Act 10 of 1963); ”;

(2) after section 6, the following section shall be inserted, namely :—

“ 6-A. *Interest not to accrue in respect of certain debts.*—No interest shall accrue during the period of operation of the Tamil Nadu Indebted Persons (Temporary Relief) Act, 1975, in respect of a debt due from an agriculturist on the 22nd July 1975, but interest shall accrue in respect of any debt obtained by an agriculturist after the said date.

Explanation.—For the purpose of this Act, “ interest ” means any amount or other thing paid or payable in excess of the principal sum borrowed or pecuniary obligation incurred, or where anything has been borrowed in kind in excess of what has been so borrowed, by whatsoever name such amount or thing may be called, and whether the same is paid or payable entirely in cash or entirely in kind or partly in cash and partly in kind and whether the same is expressly mentioned or not in the document or contract, if any. ”.

13. *Repeal.*—The Tamil Nadu Indebted Persons (Temporary Relief) Ordinance, 1975 (Tamil Nadu Ordinance 8 of 1975), and the Tamil Nadu Indebted Persons (Temporary Relief) Amendment Ordinance, 1975 (Tamil Nadu Ordinance 9 of 1975), are hereby repealed.

(By order of the Governor.)

S. VADIVELU,

Secretary to Government, Law Department.