

Revenue (1897) Department.

MISCELLANEOUS SERIES.

G.O., No. 3106

DATED 18th June 1897

[Despatch 'Abstract.]

Approving the Board's suggestion that
personal security may be permitted in respect of all
loans not exceeding Rs 100 pending the orders of the Govt.
of India in the revised rules under the Loans Act.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Revenue (1897) Department.

CURRENT No. 4172

The Hon. Mr. Cross. C.D.S.
The Hon. Mr. Poles. C.D.S.
H.E. the Governor.



Order. This No. 3106 of 18th June 97
12/6/97

From The Board of Revenue
Rev: Sett. L. R and Agri.
Madras.

The Board's suggestion
in the concluding portion of its
Progs. is approved.
11/6/97

No. 3433
Dated 15th May 1897
Received 14.5.97
Registered 14.5.97

Enclosures
Spare copies

I would suggest that it be made plain
that this discussion applies only in
to times of distress.
11/6/97

The Board of Rev. Sett.
I think it will be safe to let the con-
cession be general. G. P. H.
note The Board's Resolution gives
a full statement of the case.
RS The Rs. 1000 including bonds show
11-6-97 that the arrangement is only to hold
good until India passes orders on the
general proposals submitted more than
C 11/6/97 2 years ago - I think we
might send a reminder about
this

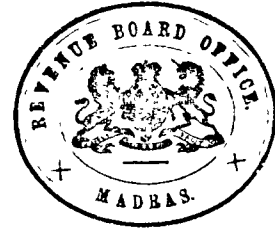
SUBJECT.
Loans
Submitting for the order
of Government letter from
the Collector of Bellary
submitting for approval
Copy of his Proceedings
instructions regarding the grant
of - under the Agri. Loans Act
on personal security; & stating that
the Board is of opinion that such
security may be permitted in respect
of all loans not exceeding Rs 100 per
the order of the Govt of India on the
revised rules under the Loans Act.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.



Proceedings of the Board of Revenue

(Revenue Settlement, Land Records and Agriculture.)

Dated 15th May 1897.

No. 3433—Misc.

Read

the following Proceedings of the Acting Collector of Bellary, dated 15th March 1897:—

Read again two office Proceedings No. 1076 dated 23rd February 1897 stating that under rule 8 of the rules under the Agriculturists' Loans Act, mortgage bond should ordinarily be taken in all cases.

Read Kadagalli Sankar Das's argi Ref on C. No. 929 dated 10th March 1897 requesting instructions in regard to the grant of fodder loans on personal securities.

2-5-01
Order.

In the second paper read above, the Tahsildar of Hadagalli raises two questions:-

- (i) Whether small loans (ie loans of sums below Rs 50) may be granted for Cattle-fodder on personal securities and
- (ii) if so, in what form the security-bond should be obtained.

2. Rule 8 of the rules under the Agriculturists Loans Act says that mortgage bond in the prescribed form shall ordinarily be taken as security for repayment from the owners or occupiers of lands to whom loans are made and that when the amount exceeds Rs 100, this shall invariably be done. When the Collector of Anantapur reported

reported that applicants who could not furnish personal securities request the grant of loans on landed security, the Board has in Board's Proceedings No 505 dated 18th July 1892 ruled that certificates of Encumbrance should be obtained in the case of lands offered as security for loans under the Agriculturists Loans Act. The Board's ruling read with the rule referred to above seems to show that it is not the Board's intention to prohibit altogether the grant of loans on personal security when the amount does not exceed Rs 100. The Tahsildar of Hadagalli will therefore be informed that ordinarily small loans may be given as personal security, but if the borrower prefers to

to give land as security, his wishes must be complied with and an encumbrance certificate obtained.

3. There is no special form of bond prescribed for personal security. The acting collector considers that the form of security bond prescribed under the ordinary rules of the Land Improvement Loans Act may be adopted.

Mutatis mutandis

From C at page 174 of the appendix to Board's Standing Order No 112

(Signed) H. W. Gillman
For Ag collector

Read also endorsement thereon from the Ag collector of Bellary dated 15th March 1897 No 1456 forwarding the above Proceedings to the Secretary to the Commissioners of Revenue Settlement

Settlement, Land Records and Agriculture, Madras, for information and favor of approval.

Resolution

Submitted for the orders of Government.

2. The letter read above raises the question whether personal security may be accepted for loans not exceeding Rs 100 granted under the Agriculturists' Loans Act for purposes other than relief of distress.

Rule 8 of the present rules on the subject does not prohibit this course; in fact, the wording of the rule implies that this course is permitted; but the correspondence connected with the passing of the rule and certain

certain subsequent Proceedings
raise a doubt on the point,
and hence this reference to Govern-
ment.

3. In passing orders on the
recommendation of the
Board of Revenue in respect
of the rules under the Land
Improvement Loans Act
XIX of 1883, Government
suggested (para 7 of G.O.
no 1294 R, dated 24th November
1884) the advisability of
extending to the Madras
Presidency the Northern India
Takavi Act (now India
Act XII of 1884) and requested
the Board to report on the
matter after ascertaining
the practice under the Act
in

in other Provinces. In submitting
this report to Government in
its Proceedings no 490 dated 13th
February 1885, the Board
recommended the adoption
of the Bombay Rules, for
advances in ordinary season,
and the rules in force in
the North-Western Provinces
for advances in times of
distress. Rule VIII of the
Bombay Rules provided as
follows:-

VIII Mortgage bond in the
form hereinafter prescribed
in Appendix A, shall ordinarily
be taken from the holders
of land to whom advances
are made as security for
repayment, and when the
amount

amount is considerable, should invariably be taken."

"In all cases in which mortgage bond are not taken, an agreement in the form hereinafter prescribed in Appendix B shall be executed."

It would appear from the above that the Bombay rules contemplated the grant of loans, in cases where the amount was not considerable, on the execution of a mere agreement bond by the applicant himself. In forwarding, however, the rules for the sanction of the Government of India, Government, amongst other alterations, amended the Bombay rules as follows:-

Mortgage bond in the form hereinafter prescribed (Appendix A) shall ordinarily be taken from the owners or occupiers of lands to whom loans are made as security for repayment, and when the amount exceeds Rs 100, should invariably be taken."

The Board is not aware of the object of Government in cutting out the second clause of the rule which expressly provided for the taking of personal security in respect of small loans. Some collectors appear to have understood the modified rule also as permitting grant of loans not exceeding Rs 100. on personal security only and to have acted accordingly when

when granting loans during
the scarcity of 1891-92. In
the Proceedings of the Collector
of Bellary, copy of which
has been forwarded by
him with his endorsement
read above, it will be observed,
that similar instructions
have been issued by him.
In 1892, however, when the
Collector of North Arcot
suggested that loans
under the Agriculturists'
Loans Act for sums
not exceeding Rs 100 might
be granted on personal
security pending the execution
of the prescribed security
bond which might take
time, the Board in its
Proceedings

Proceedings on the Collector's
letter directed (vide para 11
of Board's Proceedings No 336
dated 9th August 1893, amended
in G.O. No 512 dated 7th February
1894) that this might be
done in seasons of distress
when the ryots are in urgent
need of relief and that care
should be taken to see that
sureties are solvent and
that the prescribed mortgage
bonds are executed as soon
as possible. It would
appear from this that
the Board did not consider
that personal security
alone would suffice in the
case of small loans. In
view, however, of the wording
of

of the rule, which leaves it optional with the Collectors to take security bond or not in cases of loans not exceeding Rs 100 and considering also that in the majority of cases of loans under the Act, which will generally be for sums not exceeding Rs 100, the loans will be recoverable within two years and that in the draft revised rules under the Loans Act submitted for the approval of Government of India with the Government letter no 301 A Revenue, dated 25th May 1895, provision has been made to the effect that in the case of loans repayable within two

two years, personal security may be accepted, the Board is of opinion that such security may be permitted in respect of all loans not exceeding Rs 100, pending the orders of the Government of India on the revised rules mentioned above.

(True copy and extract)

P. V. Srinivasan
Secretary

To The Secretary to
Government
Revenue Department
Copy to the Collector of Bellary.

Exd 26
1952