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SINDH ORDINANCE NO.XVI OF 1974

THE SIND LOANS FOR AGRICULTURAL PURPOSES ORDINANCE, 1974

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SINDH ORDINANCE NO.XVI OF 1974

THE SIND LOANS FOR AGRICULTURAL PURPOSES ORDINANCE, 1974

[27th September, 1974]

An Ordinance to provide for credit facilities to members of the co-operative societies and co-operative banks in Sind for agricultural purposes.

Preamble.

WHEREAS it is expedient to provide for credit facilities to members of the co-operative societies and co-operative banks in Sind for agricultural purposes;

AND WHEREAS the Provincial Assembly is not in session and the Governor of Sind is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 128 of the Constitution of the Islamic Republic of Pakistan, the Governor of Sind is pleased to make and promulgate the following Ordinance:-

Short title and commencement.

1. (1) This Ordinance may be called the Sind Loans for Agricultural Purposes Ordinance, 1974.

(2) It shall come into force at once.

Definition

2. (1) In this Ordinance, unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, that is to say—

(a) "advance" means an advance made under this Ordinance for agricultural purposes;
(b) "bank" means a co-operative bank;
(c) "borrower" means a bona fide member of bank or society;
(d) "Government" means the Government of Sind;
(e) "land" means land used for agricultural purposes or for purposes subservient to agriculture;
(f) "loan" means a loan granted under this Ordinance for agricultural purposes;
(g) "pass-book" means a pass-book prepared and maintained under the Loans for Agricultural Purposes Act, 1973 (Act XLII of 1973);
(h) "prescribed" means prescribed by rules made under this Ordinance;
(i) "society" means a co-operative society.

(2) Any expression used but not defined in this Ordinance shall have the meaning assigned to it in the Co-operative Societies Act, 1925 (Sind Act VII of 1925) and the West Pakistan Co-operative Societies and Co-operative Banks (Re-payment of Loans) Ordinance, 1966 (West Pakistan Ordinance XIV of 1966).

Ordinance to override other laws

3. The provisions of this Ordinance shall have effect notwithstanding anything contained in any other law for the time being in force.

Pass-Book.

4. (1) A borrower applying to any bank or society for a loan or advance on the security of land, may produce before such bank or society a pass-book in proof of his title to the land mentioned therein.

(2) The pass-book produced under sub-section (1) shall, for purpose of granting loan or advance on the security of land be deemed to be and accepted by the bank or the society as title deed of the land mentioned therein.

(3) If the bank or the society grants a loan or advance on the production of the pass-book, it shall make an endorsement in the pass-book against the entry of the land or any parcel thereof on the security of which the loan or advance is granted.

(4) The endorsement made in the pass-book under sub-section (3) shall create a charge, in favour of the bank or the society, as the case may be, on the land or the parcel thereof against the entry of which the endorsement has been made and the borrower shall be debarred from alienating such land or such parcel of the land until the outstanding amount of the loan or advance has been repaid.

(5) Any alienation of land in contravention of subs-section (4) shall be void.

Delivery of agricultural produce.

5. (1) The borrower may, at his option, deliver agricultural produce of the land to the bank or the society, as the case may be, or to its authorised agent, for repayment of loan or advance or any installment thereof.

(2) The agricultural produce delivered under sub-section (1) shall be sold in open market and the sale proceeds shall be adjusted against any installment or other amount of the loan or advance, due for payment in accordance with loan agreement.

Re-payment of loan.

6. All payments made in cash or by delivery of agricultural produce towards repayment of the installments or other amounts of the loan or advance shall in prescribed manner be entered in the pass-book of the borrower and on payment of the whole amount of the loan or advance the borrower shall stand absolved of his obligation under this Ordinance.

Recovery.

7. If the borrower fails to re-pay the amount of the loan or advance in accordance with the terms of his agreement with the bank or society, such bank or society may, without prejudice to any other legal remedy available to it, apply to the Collector or an officer of the Co-operation Department invested with the powers of Collector under the Co-operative Societies Act, 1925 (Sind Act VII of 1925) for the recovery of the amount in default as arrears of land revenue.

Power to make Rules.

8. (1) Government may by notification in the official Gazette make rules for carrying out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing powers, such rules may specify the ratio to be maintained by the banks and societies between loans and advances granted to borrowers having land not exceeding an economic holding an those having land exceeding an economic holding.

EXPLANATION— In this sub-section, "subsistence holding and economic holding" have the same meaning as in the Land Reforms Regulation, 1972.

(3) The ratio specified in the rules shall not be varied—

(i) to the dis-advantage of barrowers having land not exceeding a subsistence holding and to the advantage of borrows having land exceeding a subsistence holding; and

(ii) to the dis-advantage of borrows having land less than an economic holding and to the advantage of borrowers having land exceeding economic holding.

Indemnity.

9. No suit, prosecution or other legal proceedings shall lie in respect of anything done in good faith, under this Ordinance or any rule made thereunder.