



THE LAND IMPROVEMENT LOANS ACT, 1883



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THE LAND IMPROVEMENT LOANS ACT, 1883

¹ACT NO. XIX OF 1883

[12th October, 1883]

An Act to consolidate and amend the law relating to loans of money by the Government for agricultural improvements.

WHEREAS it is expedient to consolidate and amend the law relating to loans of money by the Government for agricultural improvements; It is hereby enacted as follows :—

1. Short title.— (1) This Act may be called the Land Improvement Loans Act, 1883.

(2) **Local extent; Commencement.** It extends to ²[the whole of Pakistan], but shall not come into force in any ³[part thereof] until such date as the ⁴[Provincial

¹ For the Statement of Objects and Reasons, see Gazette of India, 1882, Pt. V., p. 954; for Report of the Select Committee, see *ibid.*, 1883, Supplement, p. 1296; for Proceedings in Council, see *ibid.*, 1882, Supplement, pp. 1494 and 1697; *ibid.*, 1883, Supplement, p. 2071.

Instruments executed by persons taking loans, or by their sureties, as security for the repayment of such loans, are exempted from stamp-duty—see the Stamp Act, 1899 (2 of 1899), Sch. I, Art. 40, exemption (I), and notification under s. 9.

This Act has been applied to Phulera in the Excluded Area of Upper Tanawal to the extent the Act is applicable in the N.W.F.P., subject to certain modifications; see N.W.F.P. (Upper Tanawal) (Excluded Area) Laws Regulation, 1950; and also extended to the Excluded Area of Upper Tanawal (N.-W.F.P.) other than Phulera with effect from 1st June, 1951, see, N.-W.F.P. Gazette, Extraordinary, dated 1st June, 1951.

It has been declared to be in force in Baluchistan by the British Baluchistan Laws Regulation, 1913 (2 of 1913), s. 3.

It has also been extended to the Leased Areas of Baluchistan, see the Leased Areas (Laws) Order, 1950 (G. G. O. 3 of 1950); and applied in the Federated Areas of Baluchistan, see Gazette of India, 1937, Pt. I. p. 1499.

The provision of this Act has been extended to the District of Khairpur (with effect from the 15th March, 1961), see Gazette of West Pakistan, 1961, Pt. I, p. 145.

The Act as in force in the North-West Frontier Province immediately before the commencement of N.W.F.P. Regulation No. II of 1974, has been applied to the Provincially Administered Tribal Areas of Chitral, Dir, Kalam, Swat and Malakand Protected Area, by N.W.F.P. Regulation No. II of 1974, s. 3.

²Subs. by the Central Laws (Statute Reform) Ordinance, 1960., (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for “all the provinces and the Capital of the Federation”, which had been subs. by A. O., 1949, Arts. 3(2) and 4, for “the whole of British India”.

³Subs. by A. O., 1941, Sch., for “part of British India”.

⁴Subs. by A. O., 1937, for “L. G.”.

Government] ¹* * * may, by notification in the ²[official Gazette], appoint in this behalf³.

2. Acts XXVI of 1871 and XXI of 1876 repealed.-(1) The Land Improvement Act, 1871, and Act XXI of 1876 (*An Act to amend the Land Improvement Act, 1871*), shall, except as regards the recovery of advances made before this Act comes into force and costs incurred by the Government in respect of such advances, be repealed.

(2) When in any Act, Regulation or Notification passed or issued before this Act comes into force, reference is made to either of those Acts, the reference shall, so far as may be practicable, be read as applying to this Act or the corresponding part of this Act.

3. "Collector" defined. In this Act, "Collector" means the Collector of land revenue of a district, or the Deputy Commissioner, or any officer empowered by the ⁴[Provincial Government] by name or by virtue of his office to discharge the functions of a Collector⁵ under this Act.

4. Purposes for which loans may be granted under this Act. -(1) Subject to such rules as may be made under section 10, loans may be granted under this Act, by such officer as may, from time to time, be empowered in this behalf by the ⁴[Provincial Government], for the purpose of making any improvement, to any person having a right to make that improvement, or, with the consent of that person, to any other person.

(2) "Improvement" means any work which adds to the letting value of land, and includes the following, namely :—

- (a) the construction of wells, tanks and other works for the storage, supply or distribution of water for the purposes of agriculture, or for the use of men and cattle employed in agriculture;
- (b) the preparation of land for irrigation;
- (c) the drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes or waste-land which is culturable ;
- (d) the reclamation, clearance, enclosure or permanent improvement of land for agricultural purposes;
- (e) the renewal or reconstruction of any of the foregoing works, or alterations therein or additions thereto; and

¹The words "with the previous sanction of the G. G. in C." rep. by the Land Improvement and Agriculturist's Loans (Amdt.) Act, 1906 (8 of 1906), s.2.

²Subs. by A. O., 1937, for "local official Gazette" .

³As to the date when this Act came into force in different provinces and tribal areas connected thereto, see different local Rules and Orders.

⁴subs. by A.O., 1937, for "L.G." .

⁵Cf.s. 3 (10) of the General Clauses Act, 1897 (10 of 1897).

¹(f) such other works as the ²[Provincial Government] ³* * * may, from time to time, by notification in the ⁴[official Gazette], declare to be improvements for the purposes of this Act.

5. Mode of dealing with applications for loans.-(1) When an application for a loan is made under this Act, the officer to whom the application is made may, if it is, in his opinion, expedient that public notice be given of the application, publish a notice, in such manner as the ²[Provincial Government] may, from time to time, direct, calling upon all persons objecting to the loan to appear before him at a time and place fixed therein and submit their objections.

(2) The officer shall consider every objection submitted under sub-section (1), and make an order in writing either admitting or overruling it :

Provided that, when the question raised by an objection is, in the opinion of the officer, one of such a nature that it cannot be satisfactorily decided except by a Civil Court, he shall postpone his proceedings on the application until the question has been so decided.

6. Period for repayment of loans.— (1) Every loan granted under this Act shall be made repayable by installments (in the form of an annuity or otherwise), within such period from the date of the actual advance of the loan, or, when the loan is advanced in installments, ⁵[from the date of the advance of the last installment actually paid] as may, from time to time, be fixed by the rules made under this Act.

(2) The period fixed as aforesaid shall not ordinarily exceed thirty-five years.

(3) The ²[Provincial Government] ⁶* * * in making ⁷* * * the rules fixing the period, shall, in considering whether the period should extend to thirty-five years, or whether it should extend beyond thirty-five years, have regard to the durability of the work for the purpose of which the loan is granted, and to the expediency of the cost of the work being paid by the generation of persons who will immediately benefit by the work.

¹ This clause has been amended in its application to the Province of West Pakistan (except the Capital of the Federation) by the West Pakistan Act No. 16 of 1957, s. 3(3) and 3rd Sch. (with effect from the 14th October, 1955).

² Subs. by A. O., 1937, for "L. G."

³ The words "with the previous sanction of the G.G. in C." rep. by the Land Improvement and Agriculturist's Loans (Amdt.) Act, 1906 (8 of 1906), s. 2.

⁴ Subs. by A. O., 1937, for "local official Gazette".

⁵ Subs. by s. 2 of the Land Improvement Loans (Amdt.) Act, 1899 (18 of 1899), for "from the date of the actual advance of the last installment".

⁶ The words "and G. G. in C." rep. by the Land Improvement and Agriculturists Loans (Amdt.) Act, 1906 (8 of 1906), s. 3.

⁷ The words "and sanctioning" rep. *ibid.*

7. Recovery of loans.—(1) Subject to such rules as may be made under section 10, all loans granted under this Act, all interest (if any) chargeable thereon, and costs (if any) incurred in making the same, shall, when they become due, be recoverable by the Collector in all or any of the following modes, namely :—

- (a) from the borrower-as if they were arrears of land—revenue due by him;
- (b) from his surety (if any)-as if they were arrears of land-revenue due by him;
- (c) out of the land for the benefit of which the loan has been granted-as if they were arrears of land-revenue due in respect of that land ;
- (d) out of the property comprised in the collateral security (if any)-according to the procedure for the realization of land-revenue by the sale of immoveable property other than the land on which that revenue is due:

Provided that no proceeding in respect of any land under clause (c) shall affect any interest in that land which existed before the date of the order granting the loan, other than the interest of the borrower, and of mortgagees of, or persons having charges on, that interest, and, where the loan is granted under section 4 with the consent of another person, the interest of that person, and of mortgagees of, or persons having charges on, that interest.

(2) When any sum due on account of any such loan, interest or costs is paid to the Collector by a surety or an owner of property comprised in any collateral security, or is recovered under sub-section (1) by the Collector from a surety or out of any such property, the Collector shall, on the application of the surety or the owner of that property (as the case may be), recover that sum on his behalf from the borrower, or out of the land for the benefit of which the loan has been granted, in manner provided by sub-section (1).

(3) It shall be in the discretion of a Collector acting under this section to determine the order in which he will resort to the various modes of recovery permitted by it.

8. Order granting loan conclusive on certain points. A written order under the hand of an officer empowered to make loans under this Act granting a loan to, or with the consent of, a person mentioned therein, for the purpose of carrying out a work described therein, for the benefit of land specified therein, shall, for the purposes of this Act, be conclusive evidence-

- (a) that the work described is an improvement within the meaning of this Act;
- (b) that the person mentioned had at the date of the order a right to make such an improvement; and
- (c) that the improvement is one benefiting the land specified.

9. Liability of joint borrower as among themselves. When a loan is made under this Act to the members of a village-community or to any other persons on such terms that all of them are jointly and severally bound to the Government for the payment of the whole amount payable in respect thereof, and a statement showing the portion of that amount which as among themselves each is bound to contribute is entered upon the order granting the loan and is signed by each of them and by the officer making the order, that statement shall be conclusive evidence of the portion of that amount which as among themselves each of those persons is bound to contribute.

10. Power to make rules. The ¹[Provincial Government] ²* * * may, from time to time, by notification in the ³[official Gazette], make rules⁴ consistent with this Act to provide for the following matters, namely :—

- (a) the manner of making applications for loans;
- (b) the officers by whom loans may be granted;
- (c) the manner of conducting inquiries relative to applications for loans, and the powers to be exercised by officers conducting those inquiries;
- (d) the nature of the security to be taken for the due application and repayment of the money, the rate of interest at which, and the conditions under which, loans may be granted, and the manner and time of granting loans;
- (e) the inspection of works for which loans have been granted;
- (f) the installments by which, and the mode in which, loans, the interest to be charged on them and the costs incurred in the making thereof, shall be paid;
- (g) the manner of keeping and auditing the accounts of the expenditure of loans and of the payments made in respect of the same; and
- (h) all other matters pertaining to the working of the Act.

11. Exemption of improvements from assessment to land-revenue. When land is improved with the aid of a loan granted under this Act, the increase in value derived from the improvement shall not be taken into account in revising the assessment of land-revenue on the land:

¹Subs. by A. O., 1937, for "L. G."

²The words "subject to the control of the G. G. in C." rep. by the Decentralization Act, 1914 (4 of 1914), s. 2 and Sch., Part I. The words "subject to the control" had been subs. for the words "with the previous sanction" by the Land Improvement and Agriculturists' Loans (Amdt.) Act, 1906 (8 of 1906), s. 4.

³Subs. by A. O., 1937, for "local official Gazette".

⁴For notification making such rules, see different local Rules and Orders.

Provided as follows :—

- (1) where the improvement consists of the reclamation of waste-land, or of the irrigation of land assessed at unirrigated rates, the increase may be so taken into account after the expiration of such period as may be fixed by rules¹ to be framed by the ²[Provincial Government]³ * * * ;
- (2) nothing in this section shall entitle any person to call in question any assessment of land-revenue otherwise than as it might have been called in question if this Act had not been passed.

⁴[12. **Certain powers of Provincial Government to be exercisable by Board of Revenue or Financial Commissioner.** The powers conferred on a ²[Provincial Government] by sections 4(1),5(1) and 10 may, in a province for which there is a Board of Revenue or a Financial Commissioner, be exercised in the like manner and subject to the like conditions by such Board or Financial Commissioner, as the case may be : Provided that rules made by a Board of Revenue or Financial Commissioner shall be subject to the control of the ²[Provincial Government].]

¹For such rules, see different local R. and O.

²Subs. by A. O., 1937, for "L. G."

³The words "with the approval of the G. G. in C." rep. by the Land Improvement and Agriculturists' Loans (Amdt.) Act, 1906 (8 of 1906), s.5.

⁴S. 12 was ins. by the Decentralization Act, 1914 (4 of 1914), s.2 and Sch., Pt. I. The original s. 12 was rep. by the Registration Act, 1908 (16 of 1908).

