

## The Gujarat Public Moneys (Recovery of Dues) Act, 1979

Act 17 of 1979

**Keyword(s):**

Agriculture, Bank, Financial Assistance, Industrial Concern, Industrial Undertaking, State-Sponsored Scheme

Amendments appended: 21 of 1981, 4 of 1985

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be filed as a separate compilation.

**PART IV**

Acts of the Gujarat Legislature and Ordinances promulgated and  
Regulations made by the Governor.

The following Act of the Gujarat Legislature having been assented to by the  
President on the 18th May, 1979 is hereby published for general information.

V. V. BEDARKAR,  
Secretary to the Government of Gujarat,  
Legal Department.

**GUJARAT ACT NO. 17 OF 1979.**

(First published, after having received the assent of the president in the  
"Gujarat Government Gazette" on the 28th May, 1979.)

An Act to provide for the speedy recovery of certain classes of dues payable to  
the State Government, the State Financial Corporation and other Corpora-  
tions owned or controlled by the State Government, Government  
Companies and nationalised or other banks.

It is hereby enacted in the Thirtieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Gujarat Public Moneys (Recovery of  
Dues) Act, 1979.

short title,  
extent and  
commence-  
ment.

(2) It extends to the whole of the State of Gujarat.

(3) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint.

**Definitions.**

2. In this Act, unless the context otherwise requires,—

(a) “agriculture” includes horticulture, raising of crops, grass or garden produce, animal husbandry, dairy farming, poultry farming and breeding of livestock;

(b) “Corporation” means the Gujarat State Financial Corporation established under the State Financial Corporations Act, 1951 and includes any other Corporation owned or controlled by the Central or State Government specified by the State Government, by a notification in the *Official Gazette*;

(c) “bank means—

(i) a banking company as defined in the Banking Regulation Act, 1949; X of 1949.

(ii) the State Bank of India constituted under the State Bank of India Act, 1955; XXIII of 1955.

(iii) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959; XXX-VIII of 1959.

(iv) a corresponding new bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970; V of 1970.

(v) any banking institution notified by the Central Government under section 51 of the Banking Regulation Act, 1949; X of 1949.

(vi) any other financial institution notified by the State Government by a notification in the *Official Gazette*, as a bank for the purposes of this Act;

(d) “financial assistance” means any kind of financial assistance given—

(i) for establishing, expanding, modernising, renovating or running any industrial undertaking; or

(ii) for the purpose of vocational training; or

(iii) for the development of agriculture or agro-industry; or

(iv) for purposes of any other kind of planned development recognised by the State Government; or

(v) for relief against distress caused by fire or serious drought, flood or other natural calamities; or

(vi) for the purpose of carrying out any State sponsored scheme;

(vii) for any other prescribed purpose;

I of  
1956.

(e) "Government company" means a Government Company as defined in section 617 of the Companies Act, 1956;

LXIII  
of  
1951.

(f) "industrial concern" shall have the same meaning as is assigned to that expression in the State Financial Corporations Act, 1951 as in force for the time being;

(g) "industrial undertaking" includes any undertaking for the manufacture, preservation, storage or processing of goods, or mining or the hotel industry, or the transport of passengers or goods, or the generation or distribution of electricity or any other form of energy, or for the development of any contiguous area of land as an industrial estate.

*Explanation.*—The expression "processing of goods" includes any art or process for producing, preparing or making an article by subjecting any material to a manual, chemical, electrical or any other like operation;

(k) "prescribed" means prescribed by rules made under this Act;

(l) "State-sponsored scheme" means a scheme sponsored or adopted by the State Government or an officer authorised by it in this behalf for development of agriculture or industry and notified as such by the State Government or the authorised Officer, by a notification in the *Official Gazette*, for the purposes of this Act.

3. (l) Where any person is a party—

(a) to any agreement relating to a loan, advance or grant given to him or relating to credit in respect of, or relating to hire-purchase of, goods sold to him by the State Government or the Corporation, by way of financial assistance, or

(b) to any agreement relating to a loan, advance or grant given to him or relating to credit in respect of, or relating to hire-purchase of goods sold to him by a bank or a Government Company, as the case may be, under a State sponsored scheme; or

(c) to any agreement relating to a guarantee given by the State Government or the Corporation in respect of a loan raised by an industrial concern; or

(d) to any agreement providing that any money payable thereunder to the State Government or the Corporation shall be recoverable as arrears of land revenue;

Recovery of  
certain dues  
as arrears  
of land  
revenue.

and such person—

(i) makes any default in payment of the loan or advance of any instalment thereof, or

(ii) having become liable under the conditions of the grant to refund the grant or any portion thereof, makes any default in the refund of such grant or portion or any instalment thereof, or

(iii) otherwise fails to comply with the terms of the agreement—

then, in the case of the State Government, such officer as may be authorised in that behalf by the State Government by notification in the *Official Gazette*, in the case of a Corporation or a Government Company, the Managing Director thereof or where there is no Managing Director, the Chairman thereof, by whatever name called, and in the case of a bank, the local agent thereof, by whatever name called, may send to the Collector a certificate as early as possible in the prescribed form mentioning the sum due from such person and requesting that such sum may be recovered as if it were an arrear of land revenue.

(2) The Collector on receiving the certificate shall after making such inquiries (including giving hearing to the party affected) as he deems fit proceed to recover the amount stated therein as aforesaid as arrears of land revenue.

(3) On recovery of any amount under sub-section (2), the same shall be paid over to the State Government, Corporation, Government Company, or as the case may be, bank after deducting, except in the case of amount to be paid to the State Government, such portion of the amount realised, as cost of collection, as the Collector may deem to be reasonable.

(4) No suit for the recovery of any such due as aforesaid shall lie in a civil court against any person referred to in sub-section (1), and no injunction shall be granted by a civil court in respect of any action taken or intended to be taken in pursuance of the right conferred by this section.

Savings.

4. (1) Nothing in section 3 shall,—

(a) affect any interest of the State Government, the Corporation, a Government Company or any bank in any property, created by any mortgage, charge, pledge or other encumbrance; or

(b) bar a suit or affect any other right or remedy against any person other than a person referred to in that section, in respect of a contract of indemnity or guarantee entered into in relation to an agreement referred to in that section or in respect of any interest referred to in clause (a).

(2) Where the property of any person referred to in section 3 is subject to any mortgage, charge, pledge or other encumbrance in favour of the State Government, a Corporation, a Government Company or a bank then—

(a) in every case of a pledge of goods, proceedings shall first be taken for sale of the goods pledged, and if the proceeds of such sale are less than the sum due, then proceedings shall be taken for recovery of the balance as if it were an arrear of land revenue:

Provided that where the Collector is of opinion that it is necessary so to do for safeguarding the recovery of the sum due to the State Government, Corporation, Government Company or bank, as the case may be, he may, for reasons to be recorded, direct proceedings to be taken for recovery of the sum due as if it were an arrear of land revenue before or at the same time the proceedings are taken for sale of the goods pledged;

(b) in every case of a mortgage, charge or other encumbrance on immovable property, such property or, as the case may be, the interest of the defaulter therein, shall first be sold in proceedings for recovery of the sum due from that person as if it were an arrear of land revenue, and any other proceedings may be taken thereafter only if the Collector certifies that there is no prospect of realisation of the entire sum due through the first mentioned process within reasonable time.

5. Subject to the provisions of sub-section (3) of section 3 nothing in this Act shall debar the recovery of dues in respect of financial assistance given by a bank to an agriculturist or the security of a charge or mortgage created by the agriculturist on any land or interest therein in favour of the bank, where such dues are recoverable by the bank under the provisions of any other law for the time being in force. Act not to debar recovery of dues by bank under any other law.

6. (1) The State Government may, by notification in the *Official Gazette*, and subject to the condition of previous publication, make rules for the purpose of carrying out the provisions of this Act. Power of State Government to make rules

(2) In particular and without prejudice to the generality of the foregoing powers such rules may be made for all or any of the following matters, namely:—

(a) any other purpose to be prescribed under sub-clause (vii) of clause (d) of section 2;

(b) the form of certificate to be sent under sub-section (1) of section 3;

(c) any other matter which is to be or may be prescribed.

(3) All rules made under this section shall be laid for not less than thirty days before the State Legislature as soon as may be after they are made and shall be subject to rescission by the State Legislature or to such modification as the State Legislature may make during the session in which they are so laid or the session immediately following.

(4) Any rescission or modification so made by the State Legislature shall be published in the *Official Gazette*, and shall thereupon take effect.

Transitory  
provision

7. All suits of the nature referred to in sub-section (4) of section 3 pending in any Civil Court immediately before the commencement of this Act shall abate upon such commencement so however that such abatement shall be without prejudice to the right of the State Government, Corporation, Government Company or bank, as the case may be, to recover any sum which may be the subject matter of such suit in accordance with the provisions of this Act, or any other law for the time being in force.

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## EXTRAORDINARY

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### PART IV

Acts of the Gujarat Legislature and Ordinances promulgated and  
Regulations made by the Governor.

The following Act of the Gujarat Legislature having been assented to by  
the President on the 20th May, 1981 is hereby published for general informa-  
tion.

K. M. SATWANI,  
Secretary to the Government of Gujarat,  
Legal Department.

#### GUJARAT ACT NO. 21 OF 1981.

(First published, after having received the assent of the President in the  
"Gujarat Government Gazette" on the 28th May, 1981).

#### AN ACT

to amend the Gujarat Public Moneys (Recovery of Dues) Act, 1979.

It is hereby enacted in the Thirty-second Year of the Republic of India as  
follows:—

1. This Act may be called the Gujarat Public Moneys (Recovery of Dues)  
(Amendment) Act, 1981.

Short title.

Amendment of section 3 of Guj. 17 of 1979. 2. In the Gujarat Public Moneys (Recovery of Dues) Act, 1979 (hereinafter referred to as "the principal Act"), in section 3, in sub-section (I), in clause (a), for the words "by the State Government or the Corporation" the words "by the State Government, the Corporation or, as the case may be, the Government Company", shall be and shall be deemed always to have been substituted. Guj. 17 of 1979.

Amendment of Section 7 of Guj. 17 of 1979. 3. In the principal Act, section 7 shall be renumbered as sub-section (I) of that section and after sub-section (I) as so renumbered the following sub-section shall be added, namely:—

"(2) All suits for the recovery of any sum due, to which this Act applies by virtue of amendment in clause (a) of sub-section (I) of section 3 by section 2 of the Gujarat Public Moneys (Recovery of Dues) (Amendment) Act, 1981 pending in any Civil Court immediately before the commencement of the said Act shall abate upon such commencement so however that such abatement shall be without prejudice to the right of a Government Company to recover any sum which may be the subject matter of such suit in accordance with the provisions of this Act or any other law for the time being in force." Guj. 21 of 1981.



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**PART IV**

The following Act of the Gujarat Legislature having been assented to by the Governor on the 9th April 1985 is hereby published for general information.

J. P. VASAVADA,  
Secretary to the Government of Gujarat,  
Legal Department.

**GUJARAT ACT NO. 4 of 1985.**

(First published, after having received the assent of the Governor in the "Gujarat Government Gazette" on the 17th April 1985.)

*AN ACT*

*further to amend the Gujarat Public Moneys (Recovery of Dues) Act, 1979 and to validate certain recoveries made thereunder.*

It is hereby enacted in the Thirty-sixth Year of Republic of India as follows;—

1. (1) This Act may be called the Gujarat Public Moneys (Recovery of Dues) (Amendment and Validation) Act, 1985.

Short title  
and commencement.

(2) It shall be deemed to have come into force on the 9th January, 1985.



Amendment  
of section 2  
of G. J. 17 of  
1979

2. In the Gujarat Public Moneys (Recovery of Dues) Act, 1979 (hereinafter referred to as "the principal Act") in section 2, after clause (a), the following clause shall be inserted, namely :—

Gui  
17 of  
1979.

"(ab) "Collector" includes an officer appointed by the State Government to perform the functions and exercise the powers of the Collector under this Act;"

Validation  
of recovery  
of dues of  
public  
moneys  
under princis  
pal Act.

3. Notwithstanding anything contained in any judgment, decree or order of any court or any other authority, the recovery of dues of public moneys under the principal Act and any proceedings or action taken or thing done or purported to have been taken or done for the purpose of recovery of such dues before the commencement of this Act by any revenue officer not being the Collector, by virtue of powers of the Collector conferred on such revenue officer by a notification issued under section 19 of the Bombay Land Revenue Code, 1879 to recover such dues under the principal Act shall for all purposes, be deemed to be and to have always been validly made or taken or done by such revenue officer as if, at all material times when such recovery was made or proceedings or action taken or thing done the principal Act as amended by this Act had been in force and such revenue officer had been appointed under clause (ab) of section 2 of the principal Act as so in force to perform the functions and exercise the powers of the Collector under the principal Act as so in force; and accordingly the validity of recovery of such dues or of any proceedings or action taken or thing done or purported to have been taken or done for the purpose of such recovery before the commencement of this Act, shall not be called in question merely on the ground that such revenue officer was not authorised to recover such dues or to take proceedings or action or to do a thing for the purpose of such recovery."

Pom.  
V of  
1879.

Repeal  
and  
savings.

4. (1) The Gujarat Public Moneys (Recovery of Dues) (Amendment and Validation) Ordinance, 1985 is hereby repealed.

Gu.  
Ord.  
2 of  
1985.

(2) Notwithstanding such repeal anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.