



The Andhra Pradesh Farmers Agricultural Debtor (Moratorium) Act, 2004

Act 3 of 2004

Keyword(s):

Agriculture, Agricultural Land, Creditor, Debt, Money Lender, Moratorium

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Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-fifth Year of the Republic of India that the following Act may be called the Andhra Pradesh

ANDHRA PRADESH ACTS, ORDINANCES AND REGULATIONS Etc.

(1) This Act may be called the Andhra Pradesh

The following Act of the Andhra Pradesh Legislative Assembly received the assent of the Governor on the 13th July, 2004 and the said assent is hereby first published on the 13th July, 2004 in the Andhra Pradesh Gazette for general information.

ACT No. 3 OF 2004

AN ACT TO PROVIDE TO DECLARE MORATORIUM ON FARM RELATED DEBTS IN THE STATE OF ANDHRA PRADESH AND FOR MATTERS CONNECTED THEREWITH AND INCIDENTAL THERETO.

Enacting law to provide moratorium on farm related debts in the State of Andhra Pradesh and for matters connected therewith and incidental thereto.

(i) Agriculture;

(ii) Crops (including plantation crops);

(iii) Daily farming;

(iv) Dairy farming;

(v) Livestock and poultry;

(vi) Fishing;

(d) Any other business or industry which is connected with or incidental to any of the foregoing.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-fifth Year of the Republic of India as follows:

**Short title
extent
and
commen-
cement.**

1. (1) This Act may be called the Andhra Pradesh Farmers Agricultural Debts (Moratorium) Act, 2004.

(2) It extends to the whole of the State of Andhra Pradesh.

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

**Declara-
tion.**

2. It is hereby declared that this Act is for giving effect to the policy of the State towards securing the principles specified in article 46 of the Constitution.

**Defini-
tions.**

3. In this Act, unless the context otherwise requires,-

(a) 'agriculture' with its grammatical variations and cognate expressions includes,-

(i) horticulture;

(ii) the raising of crops (including plantation crops), grass or garden produce;

(iii) dairy farming;

(iv) poultry farming;

(v) breeding of live stock and bees;

(vi) grazing;

(b) 'agricultural land' means land used for purposes of agriculture and which is assessed by the Government to land revenue but not being land appurtenant to a residential building situate within a Municipality or Cantonment;

(c) "Creditor" means a person but does not include a Commercial Bank established under the Banking Regulation Act, 1949 or a Co-operative Credit institution registered under the Andhra Pradesh Co-operative Societies Act, 1964 or the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995 from or in respect of whom the debtor has borrowed or incurred a debt and includes his heirs, legal representatives and assigns;

Act 7 of
1964
Act 30 of
1995

(d) 'debt' includes any liability owing to a creditor in cash or in kind, whether secured or unsecured payable to any Money lender or to a creditor;

(e) 'Money Lender' means a person but does not include a Commercial Bank established under the Banking Regulation Act, 1949 or a Co-operative Credit Institution registered under the Andhra Pradesh Co-operative societies Act, 1964 or the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995 whose main or subsidiary occupation in a business of advancing and realizing loans or acceptance of deposits in course of such business;

(f) 'Moratorium' means a legal authorisation to a debtor to postpone payment for a certain time.

4. Notwithstanding anything contained in any other law for the time being in force or any contract or other instrument having the force of law with effect from the commencement of this Act, every debt borrowed or incurred and including interest thereon for the purpose of agriculture and cultivation of agricultural land from a creditor or a money lender, a moratorium shall be declared for a period of six months from the date of commencement of this Act.

Declara-
tion of
Morato-
rium.

5. No Civil Court shall entertain any suit or other proceeding against the debtor for the recovery of any amount of the debt borrowed or incurred including interest,

Bar of
Jurisdic-
tion.

thereon for which a moratorium has been declared under Section (4);

Provided that where any suit or other proceeding is instituted jointly against the debtor and any other person nothing in this section shall apply to the maintainability of such suit or proceeding in so far as it relates to such other person.

16.7.1954
10/10/1954
16.10.1954
2001

Effect of other laws.

6. Save as otherwise provided in this Act, the provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force.

Power to remove difficulties.

7. If any difficulty arises in giving effect to the provisions of this Act, the Government may, by general or special order publish in the Andhra Pradesh Gazette make such provisions not inconsistent with the provisions of this Act, as appear to them to be necessary or expedient for the removal of the difficulty.

Power to make rules.

8. (1) The State Government may, by notification in the Andhra Pradesh Gazette, make rules for carrying out all or any of the purposes of this Act.

(2) Every rule made under this Act, shall, immediately after it is made, be laid before the Legislative Assembly of the State, if it is in session and if it is not in session in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiration of the session in which it is so laid or the session immediately following, the Legislative Assembly agrees in making any modification in the rule or in the annulment of the rule, the rule shall from the date on which the modification or annulment is notified, have effect only in such modified form or shall stand annulled as the case may be, so however,

16.7.1954
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16.7.1954
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16.10.1954
2001

that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

K.G. SHANKAR
Secretary to Government,
Legislative Affairs & Justice (FAC),
Law Department.

MAHARAJA KRISHNA RAU
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STATEMENT OF OBJECTS AND REASONS

In view of the successive drought conditions prevailing in the State of Andhra Pradesh, for a number of years, the farmers have lost their crops and they have incurred heavy debts. As a result, large-scale suicides are being committed by the farmers which is distressing and causing anxiety to Government. It is also brought to the notice of the Government that money lenders in the rural areas are resorting to molestation and harassment of the farmers eventually forcing them to resort to an extreme step of committing suicide. To curb this evil, Government have decided to declare moratorium on farm related debts borrowed by the farmers in the State for a period of six months from the date of commencement of the proposed Legislation.

This Bill seeks to give effect to the above decision.

DHARMANA PRASADA RAO,
Minister for Revenue, Relief and
Rehabilitation.