

**The Punjab Cooperative Agricultural
Development Banks Act, 1957
(Punjab Act No. 26 of 1957)**

Their debts to Carry Agricultural Improvements of
acquired Land for Agricultural Development

An

Act

to supplement the provisions of the Punjab Co-operative Societies Act, 1954, in order to facilitate the working of the Co-operative Agricultural Developments Banks in the State of Punjab with a view to providing for the grant of long term loans to owners of land or other immovable property, to enable them to discharge their debts, to carry out Agricultural improvements, to acquire land for the formation of economic holdings and other like purposes and there by to promote thrift and self help among them.

Be it enacted by the Legislature of the State of Punjab in the Eighth Year of the Republic of India as follows :-

CHAPTER I

PRELIMINARY

Short title, extent and commencement

1. (1) This Act may be called the Punjab Co-operative Agricultural Development Banks Act, 1957.
- (2) It extends to the whole of State of the Punjab.
- (3) It shall come into force on such date as the State Government may by notification appoint.

DEFINITIONS

2. In this Act, unless the context otherwise requires :-
 - (a) "Board" means the Board of Directors of the State Bank;
 - (b) "Committee" means, in relation to a Primary Agricultural Development Bank, the governing body of the Bank to whom the Management of its affairs is entrusted.

- (c) "Land" shall have the meaning assigned to it in clause (1) of section 4 of the Punjab Tenancy Act, 1887 (No. XVI of 1887).
- (d) "Agricultural Development Bank" means a Primary Agricultural Development Bank or State Bank registered or deemed to be registered under the Punjab Co-operative Societies Act, 1954;
- (e) "Prescribed" means prescribed by rules made under this Act.
- (f) "Primary Agricultural Development Bank" means a Co-operative Agricultural Development Bank registered or deemed to be registered under the Punjab Co-operative Societies Act, 1954, and affiliated as a member of the State Bank;
- (g) "Registrar" means the person appointed by the State Government to be Registrar of Co-operative Societies for the State of Punjab, or any person appointed by the State Government to assist the Registrar, under Section 3 of the Punjab Co-operative Societies Act, 1954;
- (h) "The State Bank" means the Punjab State Co-operative Agricultural Development Bank Limited to be established for the purposes of this Act.
- (i) "Trustee" means the trustee referred to in Section 3.

CHAPTER II

TRUSTEE

APPOINTMENT OF TRUSTEE

3. The Registrar shall be the trustee for the purpose of securing the fulfilment of the obligations of the State Bank to the holders of debentures issued by the State Bank.

VESTING OF PROPERTY IN TRUSTEE

4. The Mortgages and other assets transferred by the Primary Agricultural Development Bank to the State Bank shall vest in the Trustee from the date of such transfer.

DEBENTURE-HOLDERS TO HAVE FIRST CHARGE ON MORTGAGES ETC.

5. The holders of the debentures shall have a first charge on all such mortgages and assets, on the amount paid under such mortgages and remaining in the hands of the State Bank or of the Trustee and on the other properties of the State Banks.

POWERS AND FUNCTIONS OF THE TRUSTEE

6. The powers and functions of the trustee shall be governed by the instrument of trust executed between the State Bank and the Trustee, as modified from time to time by mutual agreement between the State Bank and the Trustee.

CHAPTER III

DEBENTURES

ISSUE OF DEBENTURES BY THE BOARD

7. With the previous sanction of the Trustee, the State Bank may issue debentures of one or more denominations for such periods as it may deem expedient on the security of the Mortgage and other assets transferred or deemed under the provisions of section 25 to have been transferred by the Primary Agricultural Development Banks to the State Bank or on the security of all or any of the assets and properties of the State Bank.

REDEEMABLE PERIOD OF DEBENTURE

8. Such debentures may contain a term fixing a period not exceeding ten years from the date of issue during which they shall be irredeemable, or reserving to the Board the right to call in at any time any of the debentures in advance of the date fixed for redemption, after giving to the debenture holder concerned, not less than three months notice, in writing.

MAXIMUM LIMIT OF DEBENTURES

9. The total amount due on the debentures issued by the Board and outstanding at any time shall not exceed the aggregate of the amounts due on the mortgages, the value of the other assets, transferred or deemed under the provisions of section 25 to have been transferred by the Primary Agricultural Development Banks to the State Bank and subsisting at such time and the amounts paid under the mortgages aforesaid and remaining in the hands of the Board or of the Trustee at that time.

GUARANTEE BY STATE GOVERNMENT OF

PRINCIPAL AND INTEREST OF DEBENTURES

ISSUED UNDER SECTION 17

10. The Principal of, and interest on, the debentures issued under section 7 shall carry the guarantee of the State Government subject to such conditions as it may deem fit to impose.

POWER OF BOARD TO MAKE REGULATIONS

11. The Board may, subject to the approval of the Trustee and of the State Government, make regulations, not in consistant with the provisions of this Chapter :-

- (i) for fixing the period of debentures and the rate of interest payable thereon;
- (ii) for calling in debentures after giving notice to debenture holders.
- (iii) for the issue of new debentures in place of debentures damaged or destroyed;
- (iv) for converting one class of debentures into another bearing a different rate of interest; and
- (v) generally for carrying out the provisions of this Chapter;

CHAPTER III-A

FINANCING OF SCHEMES PREPARED UNDER THE PUNJAB LAND IMPROVEMENT SCHEMES ACT, 1963 BY THE AGRICULTURAL BANKS.

- 11-A. (1) In every case in which the Bank sanctions financing of a financing of land scheme under section (2) of section 13-A of the Punjab improvement scheme Land Improvement Schemes Act, 1963, the Agricultural by Agricultural Devel- Development Bank shall be competent to advance loan to opment Bank the landowners who will be affected by the scheme equivalent to the estimated amount falling to the share of each landowners and the amount of such loan shall be disbursed to the Soil Conservation Officer responsible for executing the scheme on behalf of the landowners without any authority from them.
- (2) The amount of loan so advanced shall be deemed to be loan advanced by the Agricultural Development Bank to such landowners and shall be subject to all the terms and conditions on which the Agricultural Development Bank advances loans

to its members for a purpose connected with the improvement of land.

11-B. (1) As soon as the first instalment of loan is disbursed, the land owner on whose behalf

Landowner to become member of Agricultural Development Bank the loan is disbursed, shall be deemed to have become member of the Agricultural Development Bank which advanced the loan and the land of such landowner specified in the scheme shall stand mortgaged with the Bank by way of simple mortgage as security for the recovery of the loan and interest thereon. The copy of the scheme forwarded to the bank by the Department shall constitute the title deed for the aforesaid mortgage.

(2) The Agricultural Development Bank will be competent to charge one rupee as admission fee and ten rupees as share money from each person who becomes a member by virtue of the provisions of the preceding sub-section and such an amount shall be deemed to be a part of the loan.

(3) The Government may guarantee in such manner as it thinks fit the repayment of the principal and interest of any loan proposed to be advanced by the bank under section 11-A.

11-C. Mortgage to take precedence over other charges In every case in which land stands mortgaged with a Agricultural Bank under Section 11-B the said mortgage will take precedence over all the previous charges and mortgages on the said land whether created by act of parties or by operation of any law.

Provided that in the matter of realisation, the amount due to the Central Government under a Central Act relating to the levy of any tax, for the time being inforce, shall have priority over the dues of the Agricultural Development Bank.

11-D Right of recovery of loan by Agricultural Development Bank not to be affected. Nothing contained in the Punjab Land Reforms Act, 1972, or any other law for the time being inforce shall affect the right of the Agricultural Development bank to recover the loan and the interest thereon under this Act.

CHAPTER IV

DISRAINT AND SALE OF PRODUCE

DISTRAINT WHEN TO BE MADE

12. (a) If two consecutive instalments payable under a mortgage executed in favour of or transferred or deemed under section 25 to be transferred to the State Bank or any part of such instalments has remained unpaid for more than three months from the date on which it fell due, the Board may, in addition to any other remedy available to the said Bank, apply to the Registrar for the recovery of such instalments or part by distraint and sale of the produce of the mortgaged land including the standing crops thereon provided that such crops belong to the mortgager or mortgagors as the case may be.
- (b) On receipt of such application the Registrar may, notwithstanding anything contained in the Transfer of property Act, 1882, or an other law for the time being in force, take such action as is necessary to distraint and sell such produce.

Provided that no distraint shall be made after the expiry of twelve months from the date on which the instalment fell due.

- (c) The distress shall not be excessive; the value of the property distrained shall be, as nearly as possible, equal to the amount due and the expenses of the distraint and the cost of the sale. Any mistake, defect or irregularity in this respect shall not invalidate a distraint or sale made under this Act.

DISTRAINED HOW TO BE EFFECTED

13. (1) Before or at the time when a distraint is made under section 12, the distrainer shall serve or cause to be served upon the defaulter a written demand specifying the amount for which the distraint is made.
- (2) The demand shall be dated and signed by the distrainer and shall be served upon the defaulter by delivering a copy to him or to some adult male member of his family at his usual place of abode or to his authorised agent or when such service cannot be effected by affixing a copy of the demand on some conspicuous part of his abode and of his land.

SALE OF PROPERTY DISTRAINED

14. (1) If within fifteen days from the date of service of demand referred to in section 13, the defaulter does not pay the amount for which the distraint was effected, the distrainer may sell in auction the distrained property or such part thereof as may in his opinion be necessary to satisfy the demand together with the expenses of the distraint and the costs of the sale.
- (2) From the proceeds of such sale, a deduction shall be made at a rate not exceeding one anna in the rupee on account of the costs of the sale.
- (3) From the balance shall be deducted the expenses incurred by the distrainer on account of the distraint.
- (4) The remainder, if any, shall be applied to the discharge of the amount for which distraint was made.
- (5) The surplus, if any, shall be delivered to the person whose property has been sold and he shall be given a receipt for the amount discharged from the proceeds of the sale.

CHAPTER-V

SALE OF MORTGAGED PROPERTY

POWER OF SALE WHEN TO BE EXERCISED

15. (1) Notwithstanding anything contained in the Transfer of Property Act, 1882, or any other law for the time being in force, where a power of sale without the intervention of the Court is expressly conferred on the State Bank by the mortgage deed, the Board or any person authorised by such Board in this behalf shall, in case of default of payment of the mortgage money or any part thereof have power, in addition to any other remedy available to the State Bank, to bring the mortgaged property to sale without the intervention of the Court.
- (2) No such power shall be exercised unless and until-
 - (a) the Board have previously authorised the exercise of the power conferred by sub section (1), after hearing and deciding the objections, if any, of the mortgagor or any other person having any interest in the mortgaged property.
 - (b) Notice in writing requiring payment of such mortgage money or part has been served upon :-
 - (i) the mortgagor or each of the mortgagors;

- (ii) any person who has any interest in or charge upon the property mortgaged or in or upon the right to redeem the same;
 - (iii) any surety for the payment of the mortgage debt or any part thereof;and
 - (iv) any creditor of the mortgagor who has in a suit for the administration of his estate obtained a decree for sale of the mortgaged property;
- (c) Default has been made in payment of such mortgage money or part for six months after such service;and
- (d) The Registrar, in case where the amount claimed by the State Bank is disputed, has certified that the amount claimed or lesser amount is due from the mortgagor.

APPLICATION FOR SALE AND MANNER OF SALE

16. (1) In exercise of the power of sale conferred by section 15, the Board or any person duly authorised by the Board, may apply to the sale officer appointed in that behalf under section 24 to sell the mortgaged property or any part thereof and such officer shall after giving notice in writing to all the persons referred to in section 15 sell such property in the manner prescribed subject to any previous charge on the basis of a registered deed.
- (2) The sale shall be by public auction and shall be held in the village where the mortgaged property is situated or at the nearest place of public resort if the sale officer is of opinion that the property is likely to sell to better advantage there.
- (3) The Registrar may set aside a sale on the application of the mortgagor or any other person interested in the mortgaged property presented to him within 30 days to the sale, if in his opinion there has been an illegality or material irregularity in conducting the sale.
- (4) On the sale being set aside by the Registrar under sub-clause (3) a fresh sale shall be conducted in accordance with the provisions of this Chapter.

APPLICATION TO SET ASIDE SALE ON DEPOSIT AND CONFIRMATION OF SALE IN DEFAULT OR ON DISMISSAL OF SUCH APPLICATION

17. (1) When a mortgaged property has been sold under this Chapter, the mortgagor or any person having a right or interest therein affected by the sale, may, at any time within thirty days from the date of sale, apply to the Board to have the sale set aside on his depositing at the office of the State Bank :-

- (a) for payment to the said Bank the amount specified in the proclamation of sale together with subsequent interest and the costs, if any, incurred by the Bank in bringing the property to sale; and
- (b) for payment to the purchaser, a sum equal to two percent of the purchase money.
- (2) If such deposit is made of the Board shall make an order setting aside the sale.
- (3) Where no application is made under sub-clause (1) or where such application is made and disallowed, the Board shall apply to the Registrar to make an order confirming the sale and on such officer confirming the sale, it shall become absolute.

DISTRIBUTION OF THE PROCEEDS OF SALE

- 18. (1) The proceeds of every sale under this Chapter shall be applied by the sale officer, first in payment of all costs, charges the expenses properly incurred by him as incident to the sale or any attempted sale determined in the prescribed manner; secondly in payment of all interest due on account of the mortgage in consequence whereof the mortgaged property was sold; thirdly, in payment of the principal money due on account of the mortgage; and lastly the residue, if any, shall be paid to the persons proving himself interested in the property sold or, if there are more such persons than one, then to such persons according to their respective interest therein or upon their joint receipt.
- (2) (a) Any person dissatisfied with the decision of the sale officer in regard to the distribution of such residue may, within thirty days of the communication to him of such decision, institute a suit in a court to establish the right he claims.
- (b) The sale officer shall not distribute such residue until thirty days have lapsed from communication of his decision to all the persons concerned or, if a suit has been instituted within the said period of thirty days by any such person, until the suit is disposed of or otherwise then in accordance with the decision of the court therein.

Explanation : In this subsection Court means the Civil Court which would have jurisdiction to entertain a suit to enforce the mortgage and within the limits of whose jurisdictions the property sold is situated.

CERTIFICATE TO PURCHASER

19. Where a sale of mortgaged property has become absolute, the sale officer shall grant a certificate specifying the property sold and the name of the person who at the time of the sale is declared to be purchaser. Such certificate shall bear date, the day on which the sale became absolute.

DELIVERY OF PROPERTY TO PURCHASER

20. (1) Where the mortgaged property sold is in the occupation of the mortgagor or of some person on his behalf or of some persons claiming under a title other than a lease for a period not exceeding five years created by the mortgagor subsequent to the mortgage in favour of the State Bank and a certificate in respect thereof has been granted under section 19, the court shall, on the application of the purchaser, order delivery to be made by putting such purchaser, or any person, whom he may appoint to receive delivery on his behalf, in possession of the property.
- (2) Where the property sold is in the occupation of a tenant or other person entitled to occupy the same and a certificate in respect thereof has been granted under section 19, the Court shall on the application of the purchaser, and after notice to such tenant or other person, order delivery to be made by affixing a copy of the certificate of sale in some conspicuous place of the property and proclaiming to the occupant by beat of drum or other customary mode at some convenient place that the interest of the mortgagor has been transferred to the purchaser;
- (3) In regard to the cases dealt with in sub-section (1) and (2) the provisions of rules 97 to 103 of Order XXI of the first schedule to the code of Civil Procedure, 1908, shall, mutatis mutandis and so far as may be apply.

Explanation : In this section, 'Court' shall have the same meaning as section 18.

RIGHT OF THE AGRICULTURAL BANK TO

PURCHASE THE MORTGAGED PROPERTY AT SALE

21. Notwithstanding anything contained in any law for the time being in force, including a law imposing a ceiling on agricultural holdings, it shall be lawful of the Agricultural Bank to purchase any mortgaged property sold under this chapter and the property so purchased shall be disposed of by such Bank by sale within such period as may be fixed by the Trustee.

Appointment of receiver and his powers

- 22 (1) The Board may, on its own motion, or in the case of mortgages executed in favour of the Primary Agricultural Development Bank on the application of such Banks and under circumstances in which the power of sale conferred by section 15 may be exercised appoint in writing a receiver of the produce and income, of the mortgaged property or any part there of and any such receiver shall be entitled either to take possession of the property or collect its produce and income as the case may be to retain out of any money realised by him, his expenses of management including his remuneration, if any, as fixed by the Board, and to apply the balance in accordance with the provisions of sub-section (8) of section 69-A of the Transfer of Property Act, 1882.
- (2) A receiver appointed under sub section (1) may, for sufficient cause and on application made by the Mortgagor, be removed by the Board.
- (3) A vacancy in the office of the receiver may be filled up by the Board.
- (4) Nothing in this section shall empower the Board to appoint receiver where the mortgaged property is already in the possession of a receiver appointed by a Civil Court.

TITLE OF PURCHASER NOT TO BE IMPEACHED ON THE GROUND OF IRREGULARITY, ETC.

23. When a sale purported to have been made in the power of sale given by section 15 has been confirmed under sub-section 3 of section 17, the title of the purchaser shall not be impeachable on the ground that no case had arisen to authorise the sale or that due notice was not given or that the power was otherwise improperly or irregularly exercised but any person demnified by an unauthorised or improper or irregular exercise of the power shall have his remedy in damages against the Agricultural Development Bank.

APPOINTMENT OF SALE OFFICER

24. The State Government may appoint a sale officer not below the rank of the gazetted officer for the purpose of conducting sales under this Chapter.

CHAPTER-VI

MISCELLANEOUS MORTGAGES EXECUTED

IN FAVOUR AND OTHER ASSETS OF

PRIMARY AGRICULTURAL DEVELOPMENT BANK TO STAND TRANSFERRED TO STATE BANK.

25. The mortgages executed in favour of, and all other assets transferred to Primary Agricultural Development Bank by the members there of shall, with effect from the date of such execution or transfer be deemed to have been transferred by such Primary Agricultural Development Bank to the State Bank.

POWER OF BOARD OR OF TRUSTEE TO DIRECT, DISTRAINT AND SALE OF PRODUCE AND THE SALE OF THE MORTGAGED PROPERTY, ETC.

26. (1) The Board or Trustee may direct the Committee of a Primary Agricultural Development Bank to take action against a defaulter under section 12 or section 15 and if the Committee neglects or fails to do so the Board or Trustee may take such action.
- (2) (a) where such action is taken by the Board, the provisions of this Act and of any rules or regulations made thereunder shall apply in respect thereto as if all references to the Primary Agricultural Development Bank and to its Committee in the said provisions were references to the State Bank and the Board respectively.
- (b) Where such action is taken by the Trustee, the provisions of this Act and of any rules or regulations made thereunder shall apply in respect thereto as if all references to the Primary Agricultural Development Bank or to its Committee in the said provisions were references to the Trustee.

MORTGAGOR'S POWER TO LEASE

27. Notwithstanding anything contained in the Transfer of Property Act or any other law for the time being in force the duration of any lease, executed, by a mortgagor of property mortgaged to a Primary Agricultural Development bank or the State Bank after the execution of the mortgage shall in no case exceed five years.

A. MORTGAGE NOT TO BE QUESTIONED ON INSOLVENCY OF MORTGAGOR

28. Notwithstanding anything contained in the Provincial Insolvency Act, 1920, a mortgage executed in favour of a Agricultural Development Bank shall not be called in question on the ground that it was not executed in good faith for valuable consideration or on the ground that it was executed in order to give the Agricultural Development Bank a reference over the other creditors of the mortgagor.

PRIORITY OF MORTGAGE OVER CLAIMS ARISING UNDER THE LAND IMPROVEMENT LOANS ACT, 1883

29. A mortgage executed in favour of a Agricultural Development Bank after the commencement of this Act shall have priority over any claim of the Government arising from a loan under the Land improvement Loans Act, 1883, granted after the execution of the mortgage.

RIGHT OF AGRICULTURAL DEVELOPMENT BANK TO PAY PRIOR DEBTS OF MORTGAGORS.

30. Where a mortgage is executed in favour of Agricultural Development Bank for payment of prior debts of the mortgagor, the Bank may notwithstanding the provision of section 83 and 84 of the Transfer of Property Act, 1882, by notice in writing require any person to whom any such debt is due to receive payment of such debt or part thereof from the bank (at its registered office) within such period as may be specified in the notice. If any such person fails to receive such notice or such payment, such debt or part thereof as the case may be, shall cease to carry interest from the expiration of the period specified in the notice. Provided that where there is a dispute regards the amount of any such debt, the person to whom such debt is due shall be bound to receive payment of the amount as offered by the Agricultural Development Bank towards, the debt, but such receipt shall not prejudice the right, if any, of such person, to recover the balance claimed by him.

POWER TO SUMMON WITNESSES AND REQUISITION DOCUMENTS

31. (1) Subject to such restrictions, and limitations, and conditions as may be prescribed, the Register and person subordinate to the Registrar who are authorised by him in their behalf by general or special order in writing, or officers of Co-operative Banks which are Registered or deemed to be registered under the Punjab Co-operative Societies Act, 1954, as the State Government may, by notification in the Official Gazettee-authorise in this

behalf, shall have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (V of 1908) : when trying a suit, in respect of the following matters, namely :-

- (a) enforcing the attendance of any person and examining him on oath or affirmation :-
 - (b) Compelling the production of documents;and
 - (c) issuing commissions for the examination of witnesses.
- (2) Any of the officers or persons authorised by or under sub-section (1) may require any person present before him to furnish any information or to produce any document then and there in his possession or power.
- (3) Any officer or person before whom any documents is produced under sub-section (1) or subsection (2) shall have power to take or to authorise the taking of such copies of the document or of any entries therein as such officer or person may consider necessary. Copies so taken shall, when certified in such manner as may be prescribed by admissible in evidence for any purpose in the same manner and to the same extent as the origination document or the entries therein as the case may be.
- (4) (a) any person who wilfully or without reasonable excuse disobeys any summons, requisition or order issued under sub-section (1) or sub-section (2) shall be punishable with fine which may extend to fifty rupees, and in the case of a continuing disobedience with an additional fine which may extend to five Rupees for every day during which disobedience continues after conviction for the last such disobedience.
- (b) No court inferior to that of a Magistrate First Class, shall try any offence under clause (a)
- (c) Every offence under clause (a) shall, for the purpose of the Code of Criminal Procedure (V of 1898), be deemed to be non-cognizable.
- (d) No prosecution shall be instituted under clause (a) without the previous sanction of the Registrar, who will accord such sanction only after giving the party concerned an opportunity to be heard.

REGISTRATION OF DOCUMENTS EXECUTED ON BEHALF OF A AGRICULTURAL DEVELOPMENT BANK

32. (1) Notwithstanding anything contained in the Indian Registration Act, 1908, It shall not be necessary for any Director, Secretary or other officer of a Agricultural Development Bank to appear in person or by agent at any registration office in any proceeding connected with the registration of any instrument executed by him in his official capacity or to sign as provided in section 58 of that Act.
- (2) Where any instrument is so executed, the registering officer to whom such instrument is presented for registration may, if he think fit, refer to such Director, Secretary or officer for information respecting the same, and on being satisfied of the execution thereof shall register the instrument.

POWER OF A PRIMARY AGRICULTURAL DEVELOPMENT BANK TO RECEIVE MONEYS AND GRANT VALID DISCHARGES NOTWITHSTANDING ASSIGNMENT OF MORTGAGE DEEDS TO THE STATE BANK

33. Notwithstanding that a mortgage in favour of a Primary Agricultural Development Bank has been transferred or is deemed under the provision of section 25 to have been transferred, to the State Bank.
- (a) all moneys due under the mortgage shall, in the absence of any specific direction to the contrary issued by the Board or Trustee and communicated to the mortgagor, be payable to the Primary Agricultural Development Bank and such payment shall be as valid as if the mortgage had not been so transferred;and
- (b) the Agricultural Development Bank shall, in the absence of any specific direction to the contrary issued by the Board or Trustee and communicated to such bank be entitled to sue on the mortgage or take any other proceedings for the recovery of the moneys due under the mortgage.

SPECIAL PROVISIONS FOR MORTGAGES EXECUTED BY MANAGER OF JOINT HINDU FAMILY

34. Where a mortgage executed in favour of a Agricultural Development bank is called in question on the ground that it was executed by a person governed by custom and the manager of a Joint Hindu Family for a purpose not binding on the reversioners and the members thereof, whether major or minor, the burden of proving the same shall, notwithstanding any law to the contrary, be on the party raising it.

PROOF OF DOCUMENTS OR ENTRIES IN DOCUMENTS

35. Any Primary Agricultural Development Bank or the State Bank may grant copies of any document obtained and kept by it in the course of its business or of any entries in such documents; and any copy so granted shall, when certified in such manner as may be prescribed, be admissible in evidence for any purpose in the same manner and to the same extent as the original document, or the entries therein, as the case may be.

SERVICE OF NOTICE UNDER THE ACT

36. Whenever under the provisions of this Act notice is required to be given to any person in writing, it shall be sufficient to send such notice by registered post.

OFFICERS OF AGRICULTURAL

DEVELOPMENT BANKS AND

SALE OFFICERS NOT TO BID AT SALE

37. At any sale of movable or immovable property held under the provisions of the Act in order to recover any money due to a Agricultural Development Bank, no Director, Secretary or other officer of such Bank (except on behalf of the Bank of which he is director or Secretary or officer) and no sale officer or other person having any duty to perform in connection with such sale, shall, either directly or indirectly, bid for or acquire or attempt to acquire any interest in such property.

DELEGATION OF CERTAIN POWERS BY BOARD

38. (1) The Board may, if it think fit, delegate all or any of its powers under section 12, 15 22 and 26 to an executive committee constituted by it and consisting of two or more of its members.

POWERS OF GOVERNMENT TO MAKE RULES

39. (1) The State Government may make rules to carry out the purpose of this Act.
- (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for :-
- (i) the manner of effecting distraint;
 - (ii) the custody, preservation and the sale of distrained property;
 - (iii) the investigation of claim by persons other than the defaulters, to any right or interest in the distrained property; and the postponement of the sale pending such investigation;

- (iv) immediate sale of perishable articles;
- (v) the due proclamation and the conduct of sale;
- (vi) the recovery of the expenses of the proclamation sale;
- (vii) the deposit of the purchase money;
- (viii) the resale of the property, if the purchase money is not deposited.

POWERS OF BOARD TO MAKE REGULATION

40. Notwithstanding anything contained in the Punjab Cooperative Societies Act, 1954, or the rules made thereunder, the Board shall have a general power of supervision over the Primary Agricultural Development Banks, and may make regulations not inconsistent with this Act or the rules made thereunder :-

- (a) for the inspection of the account books and proceedings of Primary Agricultural Development Banks;
- (b) for the submission of returns and reports by Primary Agricultural Development Banks in respect of their transactions;
- (c) for the periodical settlement of account between Primary Agricultural Development Banks and the State Bank and for payment of the amounts recovered by Primary Agricultural Development Banks on mortgages transferred to the State Bank;
- (d) prescribing the form in which applications to Primary Agricultural Development Banks for loans should be made and for the valuation of the properties offered as security for such loans;
- (e) for the investment of moneys realized from the mortgagors; and
- (f) generally for the purpose of safeguarding the interests of the parties concerned and for carrying out the purposes of this Act.

Primary Agricultural Development Banks

41. The provisions of sections 2,12,13,14,15,16,17,18,19,20,22, 23,24,25,31,34,35,36 and 37 shall apply mutatis mutandis to all Primary Agricultural Development banks established for the purposes of this Act.