

REPORT
.
OF
THE KHEDUT DEBT
INQUIRY COMMITTEE,
BHAVNAGAR STATE



BHAVNAGAR.

To

THE PRESIDENT,
COUNCIL OF ADMINISTRATION,
BHAVNAGAR.

BHAVNAGAR,

Dated 1st April 1931.

SIR,

I have the honour to submit herewith the report of the Khedut Debt Enquiry Committee appointed by the Council Resolution No. 297, dated 12-6-22. The notes of Evidence and Statistical tables are published in a separate volume which has already been submitted ere now.

I have honour to be,

SIR,

Your most obedient servant,

T. K. TRIVEDI,

Chairman,

Bhavnagar Khedut Debt

Enquiry Committee.

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Appendix I.

Questionnaire prepared by the Committee appointed to inquire into the indebtedness of the Cultivators of the Bhavnagar State.

1. What is the name of your village ?
2. Is there any Darbari Khata land lying padtar (fallow) in this village ? If yes, how much and for what reason ?
3. Have any Kheduts migrated from your village since St. 1956 ? If so, about how many, and where have they gone to, and what are the reasons of their so doing ?
4. Is there sufficient well-irrigation in the village, *i. e.*, has every cultivator one Kos Wadi land per each 100 Vighas of land ? If not, state reasons.
5. Has every Khedut a pair of bullocks per Santi ? If not, how many are without them ? Give reasons.
6. How many members does an average Khedut family consist of ? Give the annual average expenses of food and clothing per each member.
7. Give the maximum and minimum expenditure incurred by the cultivators of the following different castes on ceremonial occasions :—

Nature of Ceremonial occasion	Kaubi or Kharak		Koli Khedut		Other castes	
	Maximum	Min.	Maximum	Min.	Maximum	Min.
	Rs.	a	Rs.	a	Rs.	a
Marriage						
Re-marriage						
Funeral ceremony etc., of elderly persons.						

8. What would be the probable cost of digging one and two Kos wells respectively ?
9. Is there a sufficient supply of the means of husbandry — such as carts ploughs, Bungans, harrows, Rafter, Belle, etc. ? If not, why ?
10. State the position re manure. Is Jarayat land manured besides garden land ? If not, why ? Is cattle-dung used for fuel ? Can you suggest any remedy to improve the situation ?
11. Have the Kheduts any subsidiary occupation such as selling milk, ghee, or plying carts for hire ?
12. Does every cultivator own milch-cattle over and above bullocks ? If not, state the percentage of those, who do not own such cattle giving reasons.

13. Give the quantity of seed required for the following crops :—

	Per Vigha.	Seers.		Per Vigha.	Seers.
Jowar.	„	„	Bajro.	„	„
Cotton Seed	„	„	Wheat	„	„
Til (Sesamum)	„	„	Sugar-cane.	„	Rs.

14. Do you stock the seed required or obtain the same by purchase ? If the latter be the case, how is it bought and on what terms ?

16. Give approximately the yield per Vigha for the following crops in an ordinary normal year :—

	Garden land.	Jarayat.		
		Best.	Middling.	Inferior.
Jowar
Cotton
Bajro
Wheat
Til
Molasses

16. What are the weeding charges per Vigha ?

Garden land.	Jarayat.
Cotton.	Cotton.
Bajro.	Bajro.
Sugar-cane.	Til.

17. What are the charges of cotton picking per Vigha ?

1st Picking per maund.	2nd Picking per maund.
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18. Give approximately the cost of cultivation as compared with the assessment exclusive of the labour of the members of the Khedut's family.

19. How many Ubhad families are there in the village ? Are they sufficient for the agricultural needs of the village ? If not, where do you find the necessary labour from ?

No. of families.	Males.	Females.	Children.
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20. Do village-Ubhads live in the village throughout the year or do they migrate after the season is over ? If yes, where do they go to ?

21. What are the daily wages of these Ubhads—males, females, and children for weeding, cutting, and picking ? Is any food required to be given over and above the money-payment ? If yes, how much ?

22. State the ratio of wages prior to St. 1956.

23. State the prices present and pre-Chhapania of the following means of husbandry :—

Means of Husbandry.	Pre Chhapania cost.	Present cost.
Kos and its accessories.		
Plough	**	
Harrow		
Rapta... ..		
Belle		
Cart		
A pair of bullocks ...		
Beams and wooden frames for well.		

How long will a new Kos last ?

24. State the customary measure of grain annually granted to Carpenters, Blacksmiths, and other artisans before St. 1956 and at present.

	Pre-Chhapania.			Present,		
	Baretru.	Wheat.	Sugar-Cane.	Baretru.	Wheat.	Sugar-Cane.
Carpenter ...						
Blacksmith ...						
Shoe-maker ...						
Potter						
Tailor						
Barber						

25. State the area of aneconomic holding sufficient to maintain a Khedut family of five members owning a pair of bullocks, after deducting cost of cultivation.

26. Is Mul Giras or any Barkhali land leased for Cultivation? If yes, state the proportional shares of each crops of the lessor and lessee. If the lease is for cash, state the rate per Vigha.

27. Are iron ploughs in use in your village? If not, state reasons. If yes, how many?

28. Is there sufficiency of cultivable soil in proportion to the agricultural population of your village?

29. Do the Kheduts cultivate the whole Khata land, or is any such land left padtar for want of means of cultivation; and if yes, give the number of Kheduts who leave it padtar.

30. How many and what crops do you grow in the garden land in year?

31. Are there any local Sowerars dealing with cultivators and if there are any, what caste do they belong to ?

32. If there are any outside money-lenders doing business in your village, what villages do they belong to ?

33. Do cultivators and their relatives lend and borrow money among themselves ?

34. State the proportion of Kheduts who can obtain money on payment of interest only.

35. What are the maximum and minimum rates of interest in your village ?

36. State the proportion of Kheduts who are unable to obtain money on interest, but have to pass Savaya bond (Principal plus 25 per cent premium) for the loan.

37. What is the proportion of Kheduts, who have to bind themselves to pay Savaya amount during the next Magsar Khala for a loan received in the month of Jeth ?

38. Are there any Kheduts, who have to bind themselves to deliver a fixed quantity of Kapas in the next Khala in return for the loan received ? If there are any such Kheduts, state the difference between the price calculated in the bond and the Khala price.

39. There is a practice in some villages to enter a penal clause in the bond stipulating for delivery of a fixed quantity of Kapas in default of repayment of the loan at the time prescribed in the bond. If there is such a practice in your village, what is the difference between the bond-price and the Khala price of the Kapas ?

40. State approximately the quantity of Kapas agreed to be delivered under conditions described in questions 38 and 39 in one year in your villages.

41. In case of default of delivery, is there a practice to pass a Savaya bond for a money-equivalent of the stipulated Kapas at the Khala rate, and payable either in the next wheat-khala or in the next year ? Or is it the practice to merely pass a bond for the money equivalent of the Kapas at a fixed rate of interest ?

42. When do the Kheduts sell the balance of the Kapas not stipulated to be delivered, and do they realise the market price or less ? If less, why ?

43. If the practice prevails in your village, of obtaining seeds for Jowar, Bajri, Wheat and Cotton crops under the Kudhara system (under which 25 to 100 per cent more than the quantity of the seed received is agreed to be returned), state the conditions for the same—whether 25, 50 or 100 per cent increase is agreed to, or is it the custom merely to charge 25 per cent more than the price prevailing at the time of the seed-loan, the amount being returnable at the next Khala ?

44. State whether any and if yes, what quantity of molasses or number of sugar-canes are agreed to be given over and above interest and premia charged for a loan obtained for sugar-cane plantation.

45. Are the Kheduts' debts ancestral or newly incurred, and if the latter be the case, when were they incurred and why ?

46. Over and above charging 25 per cent premium or stipulating for a fixed quantity of Kapas as stated above, does the local Sowcar demand solvent securities from the poorer Kheduts for the loan advanced ?

47. Against how many Kheduts have civil decrees been obtained in your village ?

48. Is it a fact that the Sowcar gets two bonds passed for one and the same loan, one of Savaya in his books, and another on a stamped paper stipulating for a fixed quantity of Kapas ?

49. Does the local Sowcar keep a daily cash book or simply a Betha Khata book ?

50. Does the Creditor pass a receipt for money paid towards repayment ?

51. Are there any weavers in the village ? And if so, how many ? Do they use hand-spun or Mill-spun yarn ?

52. Do they purchase yarn on their own account or weave yarn given by others ? And what wages do they receive for their work ?

53. Is there a Co-operative Credit Society in your village, and if so, what advantages have you derived therefrom ?

54. Does this Society meet all the requirements of the Kheduts ? If not, have they to borrow money from the Sowcars as well ?

55. Can you suggest any remedies for the final adjustment of the Kheduts' debts ?

56. Are the Kheduts subjected to any undue harrassment, or have they to bear any unnecessary burden of cost in the execution of civil decrees ? If such is the case, can you suggest any remedy ?

GENERAL.

57. Is there a sufficient supply of drinkable water ?

58. Is your village exposed to the danger of any water-born or any other epidemic ?

59. Are the village crops exposed to damage from stray cattle, and if so, name the villages wherefrom such danger is apprehended. Can you suggest any remedy ?

60. Is the village-Gauchar (grazing ground) sufficient for the needs of the village cattle ?

61. Is there a cattle-pound in the village ? If so, is it properly managed ?

62. Do you apprehend any danger from mischief by fire, etc., to fodder, and if so, state the nature and remedy thereof.

63. Is any damage caused to standing crops by theft or clandestine grazing ? If so, state the source and the remedy thereof.

64. Are the cultivators subjected to unnecessary annoyance and if so, state the quarter from which it proceeds, as well as the remedy you suggest for its abatement.

Comparative Statement showing the extent of Indebtedness and assessment liability of the Kheduts of the Bhavnagar State.

Number.	Name of Mahal.	Number of individual Kheduts.	Free from debt.			Indebted.						Indebted in a sum not exceeding one year's assessment.			Indebted in a sum exceeding one year's assessment but not exceeding 2 years' assessment.			Indebted in a sum exceeding 2 years' assessment but not exceeding 3 years' assessment.			Indebted in a sum exceeding 3 years' assessment but not exceeding 10 years' assessment.			Indebted in a sum exceeding 10 years' assessment.		
			No. of Kheduts.	Percentage of Kheduts.	Annual Assessment.	No. of Kheduts.	Percentage of Kheduts.	Annual Assessment.	Amount of Indebtedness.	Average Debt per each Indebted Khedut.	Indebtedness per rupee of assessment payable by Indebted Kheduts.	No. of Kheduts.	Assessment.	Amount of Indebtedness.	No. of Kheduts.	Assessment.	Amount of Indebtedness.	No. of Kheduts.	Assessment.	Amount of Indebtedness.	No. of Kheduts.	Assessment.	Amount of Indebtedness.	No. of Kheduts.	Assessment.	Amount of Indebtedness.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1	Daseroi ...	2,165	1,069	49.4	62,208	1,096	50.6	70,313	6,14,197	560	8.7	65	8,332	5,379	104	11,036	17,272	104	7,937	19,676	391	26,359	1,46,032	432	16,649	4,25,838
2	Sihor ...	1,422	758	53.3	51,799	664	46.7	59,302	3,42,048	514	8.8	50	7,179	4,245	93	11,282	16,501	82	8,311	20,673	281	23,938	1,27,519	158	8,592	1,73,107
3	Umrals ...	2,049	884	43.1	1,24,088	1,165	56.9	1,90,326	5,64,005	484	3.	265	54,043	30,894	273	45,640	66,533	193	30,471	74,334	349	50,311	2,58,960	85	9,961	1,33,281
4	Gadhada ...	968	388	40.1	58,803	580	59.9	93,596	3,57,029	616	3.8	101	21,022	12,167	143	26,564	38,672	76	11,434	28,030	190	27,668	1,50,654	70	6,908	1,27,506
5	Botad ...	1,697	876	51.6	1,20,906	821	48.4	1,16,727	4,39,228	535	3.8	126	25,577	14,097	143	26,951	39,564	121	17,893	43,853	324	37,547	2,00,953	107	3,759	1,40,761
6	Lilia ...	2,009	1,084	53.9	1,59,568	925	46.1	1,75,223	6,23,165	674	3.6	217	51,980	26,365	154	33,763	49,563	126	25,848	62,740	313	51,373	2,72,906	115	12,259	2,11,591
7	Kundla ...	4,181	2,563	61.1	3,51,097	1,618	38.9	2,66,246	7,71,197	477	2.9	428	81,750	47,054	350	61,296	99,648	234	38,402	92,033	185	72,600	3,51,137	121	12,198	1,90,325
8	Victor ...	1,364	992	72.7	1,14,206	372	27.3	50,166	95,904	258	1.9	142	24,135	12,937	97	11,837	17,342	42	5,880	14,147	79	7,440	37,830	12	874	13,618
9	Mahuva ...	4,139	2,528	61.1	2,01,640	1,611	38.9	1,07,719	6,31,191	392	3.9	291	36,394	22,082	304	35,867	52,497	212	21,982	55,638	575	53,595	2,72,647	229	13,041	2,28,327
10	Talaja ...	2,419	1,183	48.9	69,161	1,236	51.1	93,008	7,03,454	569	7.6	65	7,703	5,312	137	14,173	22,814	113	10,153	25,646	515	39,314	2,28,086	406	21,665	4,21,596
	Total ...	2,413	12,325	55.	13,13,478	10,088	45.	12,75,823	51,41,418	510	4.	1,750	3,18,115	1,80,532	1,798	2,73,349	4,11,412	1,303	1,78,311	4,36,770	3,502	3,99,045	20,46,724	1,735	1,19,896	20,65,980

Appendix V.

Statement showing the Number of individual Kheduts of the Bhavnagar State, their assessment and debt liabilities, Numerical strength of families, cattle wealth, averages of holding and indebtedness etc.

Number.	Name of Mahal.	Total population exclusive of that of alienated villages.	Area in Bichas of assessed land held by Kheduts.	Assessment.	Number of individual holders or Kheduts.	Classification of Kheduts (i. e., individual holders) according to caste.											Agricultural population.				Cattle.				Amount of indebtedness.	Average indebtedness per individual holder or Khedut.	Area of average holding in Bichas.	Individual holders or Kheduts.				Indebtedness per rupee of assessment.	Indebtedness per Bichas of assessed land.
						Kanbi.	Koli.	Rajput.	Alor.	Kumbhar.	Kharak.	Paleval.	Pancholi.	Katchia.	Other castes.	Total.	Males.	Females.	Children.	Total.	Bullocks.	Buffaloes.	Cows.	Total.				Free from debt.	Indebted.				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
1	Daseroi ...	83,511	1,44,868	1,32,511	2,165	607	949	104	37	32	76	8	...	12	340	2,165	4,037	3,491	5,032	12,610	4,568	3,194	2,130	9,892	6,14,197	284	67	1,069	49.4	1,096	50.8	4.6	4.2
2	Sihor ...	24,963	1,09,942	1,11,101	1,422	553	175	241	79	8	1	88	...	...	275	1,422	2,352	1,957	3,225	7,534	3,059	1,381	915	5,355	3,42,048	240	77	758	53.3	664	46.7	3.1	3.1
3	Umrals ...	2,684	1,93,523	3,14,414	2,049	1,442	148	197	86	7	...	...	...	...	169	2,049	3,931	2,969	4,603	11,503	4,838	1,158	1,305	7,601	5,61,005	273	24	884	43.1	1,165	56.9	1.8	2.9
4	Gadhada ...	15,597	1,08,469	1,52,401	968	614	182	30	70	5	...	...	...	...	66	968	1,566	1,387	2,250	5,203	2,207	601	861	3,672	3,57,029	369	112	388	40.1	580	59.9	2.3	3.3
5	Botad ...	26,872	1,76,078	2,37,632	1,697	818	227	99	...	90	...	...	...	...	463	1,697	2,852	2,549	4,071	9,466	4,088	1,411	1,495	6,904	4,39,228	258	103	876	51.6	821	48.4	1.8	2.5
6	Lilia ...	22,237	1,64,727	3,34,791	2,009	1,602	41	4	54	17	...	...	...	...	291	2,009	4,399	3,169	2,763	10,331	3,971	1,212	1,527	6,710	6,23,165	310	80	1,084	53.9	925	46.1	1.9	3.8
7	Kundla ...	58,306	3,88,626	6,17,343	4,181	2,799	140	17	65	276	...	...	...	...	651	4,181	7,339	6,362	9,791	23,492	8,913	3,932	3,866	16,763	7,71,197	184	93	2,563	61.1	1,618	38.9	1.1	1.
8	Victor ...	19,722	1,16,982	1,64,372	1,364	172	267	2	149	113	...	...	...	...	330	1,364	2,708	2,227	2,571	7,506	2,946	1,538	1,258	5,742	95,904	70	85	992	72.7	372	27.3	6.6	6.8
9	Mahuva ...	60,797	3,39,168	3,62,359	4,139	431	1,055	20	191	390	114	19	642	...	1,147	4,139	7,204	6,517	9,046	22,767	8,813	5,684	3,290	17,737	6,31,191	153	82	2,528	61.1	1,611	38.9	1.8	1.9
10	Talaja ...	36,887	1,86,775	1,62,169	2,419	495	619	201	95	56	311	309	111	...	312	2,419	4,381	3,939	6,175	14,195	6,009	6,158	2,281	14,448	7,03,454	299	77	1,183	48.9	1,236	51.1	4.3	3.7
	Total ...	3,77,576	19,28,258	15,89,104	22,413	9,495	3,801	915	826	994	582	424	1,317	12	4,049	22,413	40,769	34,558	49,530	1,24,997	49,413	26,619	18,791	94,822	51,41,418	229	86	12,325	55.	10,088	45.	2.	2.7

Appendix VI.

The Bhavnagar State Kheduts' Protection Act.

Whereas it is expedient to prevent the money-lenders from taking undue advantage of the illiterate and indebted condition of the agricultural classes, it is hereby enacted as follows :—

Chapter I.

Preliminary.

1. This Act may be called 'The Bhavnagar State Kheduts' Protection Act,' and it shall extend to the whole of the Bhavnagar State from the date of its publication in the Darbari Gazette.

Short title, commencement and extent.

Note:—Section 10 of this Act shall also apply to civil suits pending in Courts on the date on which this Act comes into force.

2. If there is anything in other Acts now in force, repugnant or contrary to the provisions of this Act, then those Acts shall not apply to that extent to the provisions of this Act.

Repugnant Act's ineffective.

3. Unless there is something repugnant in the subject or context,—

Construction.

(a) "Agriculturist, or Khedut" shall mean a person, who, residing within the limits of the Bhavnagar State, by himself or by his servants, earns his livelihood wholly or principally by agriculture carried on as Khatedar (registered holder) or Sub-sharer in the Darbari Khata land (registered holding). Such a person shall be deemed to be an agriculturist even if he carries on agriculture in other Mulgiras or Barakhli land alongwith the Darbari land, and the word "Agriculturist" shall also include his sub-sharers living as members of a joint family alongwith him.

Agriculturist.

Note:—An agriculturist, who having first obtained the necessary sanction, has leased his Darbari land to others for agriculture, shall not thereby cease to be an agriculturist within this definition.

(b) "Money" shall be deemed to include agricultural produce, implements and stock.

Money.

(c) "Standing Crops" shall include crops of all sorts attached to the soil, and leaves, flowers and fruits upon and juice in trees and shrubs.

Standing Crops.

Chapter II.

Of Kinds of suits and place of suing according to this Act.

Application of this Act. 4. The provisions of this Act shall apply to:—

(1) Suits for an account instituted by an indebted agriculturist according to the provisions of section 5, and

(2) Suits for the recovery of money alleged to be due to the plaintiff creditor—

On account of money lent or advanced to or paid for, the agriculturist defendant, or as the price of goods sold, or on an account stated between the plaintiff and the defendant, or

On a written or unwritten engagement for the payment of money not herein before provided for.

5. Any agriculturist who owes any debt to his creditors as shown in sub-sec. 2 of sec. 4, may sue for an account of such debt and of money paid by him to the creditor, and for a declaration of the amount, if any, still payable by him to the creditor.

Agriculturist debtors may sue for accounts.

6. Subject to the pecuniary jurisdiction of Courts as provided for in other Acts, suits to which the provisions of this Act apply, shall be instituted in a Court within the local limits of whose jurisdiction the agriculturist, whether he be plaintiff or defendant, resides.

Place of suing.

Note:—Every such suit, in which there are more than one agriculturist as plaintiffs or defendants, who reside within the local jurisdictions of different Courts, may be instituted, with the leave of the Court, in any of such Courts.

Chapter III.

Of hearing of suits according to this Act.

7. In every case in which it seems to the court possible to dispose of a suit at the first hearing, the Summons shall be for the final disposal of the suit.

Summons to be for final disposal of suit.

8. In suits, to which the provisions of this Act apply, the Court shall, notwithstanding anything contained in the Evidence Act or in any other law for the time being in force, have power, in order to inquire into and determine the real nature of any transaction between the agriculturist and his creditor, to admit evidence of any oral agreement or statement pertaining to such transaction, even though the transaction has been the subject of a written agreement.

Oral evidence admissible notwithstanding written agreement.

9. In any suit to which this Act applies, the Court, whether the amount of the creditor's claim is disputed or not, shall examine both the plaintiff and the defendant as witnesses and shall enquire into the history and merits of the case, from the commencement of the transactions between the parties, out of which the suit has arisen, first with a view to ascertaining whether any fraud, mistake, undue influence or any such thing has been practised upon the agriculturist-party, and, secondly, with a view to taking an account between the parties in manner hereinafter provided.

Parties to be examined and history of transactions with Agriculturist debtors to be investigated.

Note:—It is not to be understood that it is compulsory to examine the plaintiff and the defendant as witnesses according to the provisions

of this section, even when the Court, for obvious reasons, deems it unnecessary so to do. But the Court shall in that case record its reasons in writing.

10, When the Court inquires into the history and merits of a case from the commencement of the transactions between the parties, in accordance with the provisions of Section 9, it shall

Mode of taking
accounts.

notwithstanding any agreement between the parties as to allowing compound interest and,

notwithstanding any statement or settlement of account or any contract purporting to close previous dealings and create a new obligation,

take the account according to the following rules:—

(1) The account shall be inquired into and ascertained from the commencement of the transactions to the date of the suit ;

(2) Separate accounts of principal and interest shall be taken ;

(3) In the account of principal, there shall be debited to the debtor such money as may from time to time have been actually received by him or on his account from the creditor, and the price of goods, if any, actually sold to him or on his account by the creditor ;

NOTE.—(1) Care should be specially taken that Vataw or such other item, if any, added to the money actually advanced, or to the price of the goods actually sold, shall not enter into the account of principal.

(2) When the price of grain or any other goods is to be debited or credited, it should be debited or credited, as for grain, having regard to the rates of price published in the Darbari Gazette of the time, and as for other goods, having regard to the market rates prevailing at the time.

(4) Interest accrued due should be kept separate and special attention should be paid to the fact that interest does not get included in the principal ;

(5) Simple interest only shall be allowed at the contract rate, but more than 12 per cent. shall not be allowed;

(6) Interest to be debited monthly : that is interest only on the balance of principal outstanding at the end of a month, shall be computed from the beginning of the next month ;

(7) All money paid or goods delivered by or on account of the debtor to the creditor or on his account and all profits in the form of Vataw or Kothli-chhodaman, (be it in cash or goods) and other advantages of every description, received by the creditor from the debtor in the course of the transactions, shall be credited, first, in the account of interest ; and when any payment is more than sufficient to discharge the balance of interest due at the time it is made, the residue of such payment shall be credited to the debtor in the account of principal.

(8) The accounts of principal and interest shall be made upto the date of instituting the suit, and the aggregate of the balances

(if any) appearing due on both such accounts against the debtor on that date shall be deemed to be the amount due at that date.

Damdupat:—But if the balance appearing due on the interest account, exceeds that appearing due on the principal account, double the latter balance shall be deemed to be the amount then due and, that amount only, the Court shall decree.

11. Decrees standing against the agriculturist when this Act comes into force, and decrees included in other debts, when coming before the Court in execution or in a suit account should also be taken of such decretal debts in accordance with the provisions of sec. 10. In taking such account, if it appears to the Court that the transactions which have led to the passing of the decrees, are a part and parcel of other transactions entered into between the parties, then the whole of the transactions should be inquired into, as if the agriculturist has instituted a suit for taking accounts in accordance with the provisions of sec. 5; and the amount remaining due by the agriculturist should then be ascertained. But the ascertainment of such amount, shall not, except under circumstances mentioned in sec. 12, entitle the creditor to realize from the agriculturist debtor any sum in excess of the balance due under the decree, which, on coming before the Court had led it to order the taking of accounts in accordance with the provisions of this section.

12. (1) In suits for account according to sec. 5 and at the time of taking accounts according to section 11, besides ascertaining the amount remaining due by the agriculturist, the Court has power to direct that such amount shall be paid by instalments with or without interest. But if in the account upto the date of the institution of the suit the interest accrued due is equal to the amount of the principal, the Court shall not direct instalments with interest.

In suits according to section 5 and section 11, instalments may be granted in the decree.

(2) When the Court has directed payment of the amount by instalments according to sub-section (1), the agriculturist-debtor may pay, into Court, the amount of each instalment, as it falls due, in default whereof, execution of the decree may be enforced by the creditor in the same manner as if he had obtained a decree in a suit to recover the debt.

13. Where the Court awards interest, if at all, from the date of the suit to the date of the decree and from the date of the decree to the realization of the amount due, it shall not award more than 6 per cent interest.

Interest after the date of decree.

14. The Court may at any time direct that the amount of any decree passed under this Act, or the amount ascertained due after proper enquiry according to section 11 into the decrees passed before this Act, shall be paid by instalments with or without interest.

Power to fix instalments in execution.

15. The interest to be awarded under this Act shall be simple.

Simple interest to be awarded

Chapter IV.

Miscellaneous.

16. Where the creditor files a suit, such suit shall include all arrears
 Suit to include arrears. of debts due to him by the agriculturist defendant.

17. A suit by an agriculturist debtor shall be exempt from the pay-
 ment of Court-fees. When the suit is by a creditor,
 Re: court fees he will at first be liable to pay the Court-fees, according
 to law, but the amount of Court-fees upon the sum
 decreed will be remitted to him.

18. The agriculturist debtor shall be at liberty to prove any payments
 made by him towards the decree, even though such
 Re. Proof of payment payments have not been certified in Court according to
 and adjustment. law ; and he shall also be at liberty to prove even such
 payments as are made after this Act comes into force.

19. If the Court is satisfied that the creditor intentionally abstains
 from producing books of accounts of previous transac-
 Production of books tions, it shall dismiss the suit to that extent. If the
 of former accounts. Court has reason to suspect that the creditor does not
 intentionally produce books of accounts, one half of the balance due on the
 earliest account produced, shall be counted as principal ; but if the Court is
 satisfied that the debtor has received full consideration and that the accounts
 produced by the creditor are trustworthy, then the full amount may be
 awarded even in the absence of previous accounts.

20. With a view to carry out the object of this Act, the Darbar may,
 from time to time, make, in conformity with the pro-
 Power to make rules. visions of this Act, such rules, as are deemed to be
 necessary, in regard to the manner of taking accounts
 and other matters.

Appendix VII.

Dewan Bahadur T. K. Trivedi, Member of Council's preliminary minute, reviewing the Committee's work and recommending necessary legislative and other measures.

The Darbar have been pleased to appoint a committee to inquire into the extent of indebtedness of the Darbari Kheduts to the Sowcar creditors, and also into the nature of the dealings, between the two classes. I am the Chairman of the Committee, the other two members being the Chief Judge Azam Bhaskarrao Vithaldas Mehta, M. A., LL. B., and the Revenue Commissioner Azam Bapubha Naranji, while Mr. Natvarlal Maneklal Surati, B. A., LL. B., Nyayadhish, is the Secretary of the Committee.

2. Before the Committee commenced their work, a form was devised with the object of collecting data of each individual Khedut, and this form was in the first instance got filled up by the Thandars of the Revenue Department.

3. After the forms had been filled in, the Chairman, Members and Secretary of the Committee toured round the whole State. They themselves, visited each and every village and verified the contents of the statements prepared by the Thandars in tabular form. They were also assisted in this work by the local officers of the Revenue Department. I take this opportunity of recording here the valuable help, rendered by the Members and the Secretary of the Committee and by officers of the Revenue Department, especially the Thandars.

4. Besides verifying the Statements, the Committee examined some of the accounts maintained by merchants and endeavoured to know the nature of their transactions with the Kheduts. In order that the Committee might be enabled to submit their report, a questionnaire was prepared to gather details with a view to know the economic condition of Kheduts. The answers to the above questionnaire were obtained, in respect of the principal villages, of the State, by examining in a body, the Patels and other leading cultivators of the village concerned. Also budgets of receipts and expenditure of several poor, middle-class and rich Kheduts for this purpose were prepared.

5. The figures of debt were, in the first instance, recorded per each individual Khedut, and from them the extent of indebtedness by villages, by Tappas, by Mahals and of the whole State was worked out and abstracted. These have been printed in the form of tabular statements together with notes of evidence with running comments, disclosing the nature of transactions between the merchants and the Kheduts, in the order of Mahals and Tappas. The Statements and notes are hereto attached. The entire burden of preparing them has almost fallen on the Secretary Azam Natvarlal Maneklal Surati, and I might say here without exaggeration that the zeal and enthusiasm displayed and the pains taken by him in carrying out this arduous work cannot be adequately described in words.

6. I regret very much that the Committee have not yet been able to submit their formal report upon the data embodied in the statements and notes, the reason being that the Committee had to carry on their work in addition to their other ordinary office duties. Had they been specially detached for this

work alone, as is generally done elsewhere, the report would have been ready ere long. Even now if the Secretary and myself were relieved for this work, we might be able to see the report published within 3 or 4 months; but I know that that is not practicable. At the same time I know, how anxious and concerned the President of the Council, after he had perused the printed statements and notes regarding indebtedness of the Kheduts, is to look into the question and to take such steps as are necessary to give immediate relief, and he has very properly, without waiting for the report, taken up this matter earnestly in hand. He went to Gadhadu, accompanied by the Members of the Committee Azam Bhaskarrao and Bapubha and examined the state of things prevailing there. When he again happened to go there very recently, accompanied by the Members, I also was able to join him, and there was a good deal of discussion on the subject, as a result of which he has come to certain conclusions, to which the Members of the Committee have agreed. Before coming to the decisions arrived at, it would not be out of place, if I, in the absence of a formal report, briefly review here the extent of indebtedness of the Bhavnagar Khedut as disclosed by the Committee's enquiry.

7. Though statements of Kheduts' indebtedness abstracted from figures of debts of individual Kheduts, have been printed for each Village, Tappa and Mahal, it would save the Council a great deal of trouble, if I cite below a few figures giving an idea of the general condition of the Kheduts of the whole State.

Kheduts who are free from debt.			Kheduts who are indebted.			
Number	Percentage	Annual assessment	Number	Percentage	Annual assessment	Extent of indebtedness
12,325	55	13,13,478	10,088	45	12,75,626	51,41,418

From the above it will appear that more than half the number of Kheduts are free from debt in the whole State, and I beg leave to submit here that just as the Kheduts free from debt are not always rich, so it is difficult to believe that those who are indebted, are also always poor. Every profession needs capital and, so I do not think a little indebtedness always argues an alarmingly poor economic condition; but where a Khedut's condition on examination discloses a debt, of which the amount is always piling up and hence will be finally incapable of repayment, and, further, the transactions show intolerably usurious rates of interest charged, and frequent additions of premium, such as Pagdi, etc., the legitimate inference is that a chronic disease has crept in and if the same is not carefully diagnosed and promptly treated, it will doubtless become the cause of the economic ruin of the indebted Khedut. It is, therefore, necessary for us to examine whether there are any such symptoms in the condition of our Kheduts.

8. The figures of average indebtedness per individual Khedut and per rupee of assessment have been given by Mahals as under :—

Name of Mahals.	Average debt per each indebted Khedut.	Average indebtedness per rupee of assessment.
Victor...	258	1.9
Kundla	477	2.9

Name of Mahal.			Average debt per each indebted Khedut.			Average indebtedness per rupee of assessment.
Umralla	..	...	481	...	...	3.0
Lilia	...	...	674	...	...	3.6
Gadhada	...	...	616	...	...	3.8
Botad	...	...	535	...	...	3.8
Mahuva	...	...	392	...	...	3.9
Sihor	...	...	514	...	...	5.8
Talaja	...	...	569	...	...	7.6
Dascroi	...	...	560	...	...	8.7

These figures indicate that there is no such correlation between debt and assessment as to justify the inference that the more highly assessed Mahals have a greater amount of indebtedness, while those comparatively lightly assessed are indebted to a lesser extent. Looking to the average figures of debt of each indebted Khedut, Victor, Mahuva, Kundla, Umralla, Sihor, Botad, Dascroi, Talaja, Gadhada and Lilia each in turn shows an increasing intensity of indebtedness. For the present it can only be inferred that this incomprehensible phenomenon has been brought about by the usurious and extortionate rates of interest and commission charged by local money-lenders in their dealings with the illiterate peasantry. Examining the figures of individual indebtedness by Tappas, it appears that the amount is the same or rather more in places, where the assessment is low, and there is little or no debt owing to the Darbar on account of arrears of Revenue. This can only be explained by attributing the private indebtedness of the Khedut to the usurious and unscrupulous methods of the Sowcar, with whom the former has his dealings. To understand this phenomenon of indebtedness it is necessary to probe the matter a little deeper and study it carefully, but unfortunately, there is no scope here for such an extensive enquiry and study.

9. In order to give a correct idea of the state of things, I shall give below, the figures of Kheduts, who are free from debt, as also of those who are indebted together with their debt amounts and the proportion of the latter as compared with the assessments :—

	Extent of indebtedness.	Number of Kheduts.	Assessment.	Amount of indebtedness.	Ratio of debt to assessment payable by the indebted Kheduts.
1	Free from debt.	12,325	13,13,478	...	...
	Indebted.				
	A.—Ordinarily indebted.				
2	Indebted in a sum not exceeding one year's assessment.	1,750	3,18,115	1,80,532	0.56
3	Indebted in a sum exceeding one year's assessment but not exceeding two years' assessment.	1,798	2,78,349	4,11,412	1.45
	Total of Nos. 2 & 3	3,548	5,96,464	5,91,944	0.99

	Extent of Indebtedness.	Number of Kheduts.	Assessment.	Amount of indebtedness.	Ratio of debt to assessment payable by the indebted Kheduts.
	B.—Heavily indebted				
4	Indebted in a sum exceeding 2 years' assessment but not exceeding 3 years' assessment.	1,303	1,78,311	4,30,770	2.44
5	Indebted in a sum exceeding 3 years' assessment but not exceeding 10 years' assessment.	3,502	3,90,045	20,46,724	5.24
6	Indebted in a sum exceeding 10 years' assessment.	1,735	1,10,806	20,65,980	18.6
	Total of 4 to 6 ...	6,540	6,79,162	45,49,474	6.7
	Grand Total ...	22,413	25,89,104	51,41,418	1.99

These figures will show that in the whole State there are 55 per cent of the Kheduts who are free from debt, 15 per cent who owe sums equal to only one year's assessment and 30 per cent who are hopelessly involved in debts. In this way the condition of about 70 per cent of the Kheduts of the State appears to be not unsatisfactory, but only that of the remaining 30 per cent is such as to give cause for anxiety. But if the kind of dealings which the Sowcar carries on with his Khedut customers of all classes, rich, middle-class and poor alike, and which were brought to the Committee's notice in the course of its enquiry, are allowed to flourish unchecked, I greatly fear that the debt-free Khedut would be soon getting into debts and, those who are only slightly indebted today will in course of time find themselves involved in ever-increasing indebtedness, and further that a very grave situation may arise in the future. And naturally we should be most reluctant to leave such a legacy for our successors.

10. The characteristic features of the dealings between the money-lending classes and their Khedut customers as obtaining in the different Tappas, have been described by the Secretary Mr. Natvarlal in the Evidence Volume referred to above and a perusal of the same will give the Council a correct insight into the prevailing state of things. However, I deem it proper here to narrate in a bare form the broad facts of the situation, as brought out in the course of the Committee's enquiry. They are as follows:—

(a) The former practice to lend money to good Kheduts on interest at the rate of 8 to 12 annas (per cent per mensem) and to poorer Kheduts at 12 annas to Re. 1, has almost entirely disappeared.

(b) It was only after St. 1956 (1900 A. D.) that the above rates were increased slightly in lean years but the increase was a natural consequence of lean years.

(c) Since St. 1974 (1918 A. D.) or thereabout the above practice underwent a change and that of Savaya dealings was substituted. Savaya practice means adding 25 per cent premium to the sum actually lent and debiting the borrowing Khedut with the augmented amount. This

practice has been found to have crept in all the Mahals other than the coastal Mahals and where the practice prevails, borrowings on less than the Savaya basis are very rare.

(d) Savaya bonds also stipulate for repayment by delivery of seed-cotton at very low rates of price, which naturally puts the Khedut to heavy loss, and it has been noticed that though the market-price of Kapas in the cotton season may be as high as Rs. 8 per maund, the money-lender allows for the Kapas delivered only a rate of Rs. 2 per maund, the price stipulated in the bond ; and further, where there is default in delivery, fresh bonds for an amount equal to the price of the stipulated Kapas at the prevailing rate have been obtained ; and again suits based on such bonds have been decreed in Courts of law. Some of these decrees have been executed and satisfied, while others unexecuted still remain in force. Where suits have not been filed, it may be presumed that all accounts of unpaid balances have been drawn up in this fashion.

(e) The Committee has come across instances of bonds obtained for the price of undelivered Kapas again stipulating for delivery of Cotton in lieu of repayment in cash.

(f) The agricultural season may be computed from Jeth to Diwali (i. e. June to October) and all borrowings during this period take place on the Savaya-basis, rendering the Khedut liable to pay the augmented amount at the Khala (harvesting) time. The result is that the full Savaya premium is charged, even where the sum is repayable in a month or two only.

(g) Failing repayment in the Diwali Khala, there are instances, in which a further premium of 25 per cent has been added to the Savaya amount entered in the bond, with a fresh condition making the money repayable at the time of the Wheat-Khala. In brief, accounts of heavy arrears outstanding have been piled up from small sums originally lent.

(h) There are cases, where bonds stipulate for repayment by a fixed date, and, in case of default, for delivery of Kapas at an agreed price, which is usually far less than the market-rate. If cash repayment is delayed even by a couple of days, the Sowcar insists on and in many cases has obtained delivery of the stipulated cotton in full. In such transactions merchants have shown no other sentiments except that of exploiting to the full the Khedut's indebted condition.

(i) Even at the time of settling up accounts and striking a balance for the sum outstanding, premium commission is charged in addition to interest. In spite of interest having been charged at the rate of 18 per cent, a penal charge in the shape of a premium addition of 25 per cent or more has been levied for non-repayment of the amount on due date.

(j) Even where a premium charge on the basis of Savaya and more has been levied, the entry in the account-books purports to be for cash advance only, and where a journal with a daily balance carried over is maintained, the Sowcar's ingenuity so manipulates the accounts that it has been found most difficult to disentangle the actual cash advanced from the additions of premium, &c.

(k) Dealings with several poor Kheduts have been found to be on the basis of 50 per cent and even more of premium added from the outset instead of the usual Savaya basis.

(l) Separate bonds for amounts twice or thrice as large as the principal sum have been obtained to act as a threat for enforcing repayment in time. If the repayment is made in time, the Savaya amount is recovered, failing which, the penal bonds for the larger amounts are enforced.

(m) Advances of seed for sowing, or of food grains, or of cash for weeding, clearing or cutting the harvest are increased by 50 to 100 per cent and the borrowing Khedut debited with the augmented amount; and further such amount is made repayable by a fixed quantity of Kapas or grain, calculated at a very low rate of price.

(n) Interest on such augmented sums has been charged at rates varying from 18 to 75 per cent.

(o) Interest has been found to have been charged at a higher rate than that agreed to in the bond.

(p) Though the amount is debited on the Savaya basis, 25 per cent interest has been charged from the date of the bond.

(q) For commodities supplied such as cloth or grain, prices with an addition of 25 to 50 per cent interest have been charged and sums remaining due are carried over to new bonds at the time of each Khala-season with the additions of interest and premium. These and other various kinds of usurious practices have been carried on, which have told heavily upon the Kheduts; and if the same be continued, the position would be very precarious in the not distant future.

11. The Committee in the course of its investigations also came to learn of the system or rather no system of accounts followed by the Sowcar and I would take this opportunity of acquainting the Council with the facts observed by the Committee in this behalf. Below are given some of the irregularities in account-keeping noticed by the Committee:—

(a) The amount of the previous Khata, though carried to a subsequent Khata, has been allowed to stand over and the former account not squared up.

(b) In several cases, goods delivered in repayment of Khata-debts outstanding, have not been given credit for.

(c) In several instances, sums not advanced have been debited in the accounts.

(d) The terms of written and oral agreements in respect of the same transaction widely differ; at the time of settling accounts interest and prices are charged as per oral agreements, while written agreements are relied upon, in case the necessity arises for filing a suit.

(e) The amount paid towards a decreed debt is not credited to the decree but is appropriated to other Khata debts.

(f) Though the accounts have been settled, the bonds stipulating for delivery of cotton have not been squared up.

(g) The amount accruing due on account of interest is seen to be recovered direct, without being shown in the account, which leaves a chance of the interest being collected twice over.

(h) Though there be one or more current Khatas in the name of the same Khedut, every fresh advance is made the occasion for drawing up a new Khata, instead of such advance being debited in one of the current Khatas. This practice has multiplied the number of Khatas outstanding.

(i) Though a new Khata may simply carry over a balance due from an anterior Khata settled up, the former will yet purport to be in lieu of a fresh cash advance.

(j) There has been found to be no definite period for settlement of accounts and there are cases where accounts have been made up and the balance carried over to a new account once, twice, thrice, four or even five times in a year, the only object of such frequent renewals and adjustments being to secure compound interest at short intervals.

(k) There are cases, where two separate Khatas of even date have been drawn up for the same sum advanced, one of them being alleged to be by way of threat to ensure timely repayment of the loan. Advances of grains under the Kadhara system have been found to have been doubled from the outset.

(l) Amounts repaid towards the Khata amount due, instead of being properly credited, are just jotted down on the cover of the book or in some such place.

(m) A new Khata on account of arrears of interest is made to appear as being for a fresh cash loan.

(n) One current Khata has been split up into different Khatas, the ostensible object being to make it easier to file different suits for smaller sums at less cost.

(o) There are two books of accounts of the same type for the same year; and though the dealings relate to only one and the same items, they are found entered in both the books.

(p) Appropriation of sums paid is made according to the sweet will of the money-lender, and a sum paid towards a particular debt outstanding, is not credited to it. In the result, the Khedut is put to heavy losses, when the prices of commodities stipulated for in the bond are ruling high.

(q) In spite of the Khedut having handed over all his produce to the Sowcar direct from the Khala, he is charged interest for any sum he may draw on account of the price of the produce delivered.

(r) Rebate of interest is generally not given on amounts repaid and credited, but interest is as a rule charged on the total of the advances made, for the full period, for which the accounts are to be adjusted.

(s) Even when a journal is maintained showing the daily opening balance, items charged and deducted as commission on the amounts lent and debited to the Khedut, are not shown on the credit side on account of commission. But to avoid discrepancy in the journal's cash balance, the sums deducted as commission are set apart and carried to a private

purse from which domestic expenses are disbursed, and of which no account is kept anywhere. The object of all this is, of course, to effectively conceal the clandestine recoveries by way of commission, and in case of dispute in a Court of law, to maintain that the entries purporting to be of cash advances, represent only the amounts actually paid out.

(f) Only a few merchants maintain *Rojmel*, *i. e.*, a daily journal. Most transactions are recorded direct in what are called *Betha Khata* books, *i. e.*, ledger-books, which contain separate accounts for each *Khedut* debtor or more often for each fresh advance made and which have no correspondence with any other account book, by reference to which the entries in the former could be checked and verified. Naturally the *Betha-khata* System of accounts renders it difficult to find out, what the principal amount lent was and what amount was added or deducted by way of commission or premium.

The above are the chief irregularities in the system or more correctly speaking no system of account-keeping, which were noticed by the Committee, and they are, it need not be pointed out, mainly devised to squeeze illiterate *Khedut* as much as possible.

12. After finishing the regular enquiries, the Committee visited the *Mahal* towns of *Botad*, *Gadhada*, *Lilia*, *Mahuva*, *Kundla* and *Umrals*, and there met the leading merchants and discussed with them the nature of the *Sowcar's* dealings with his *Khedut* customers and his irregular and tricky methods of account-keeping. Minutes of these discussions will be found embodied in the accompanying file, and from a perusal of the same it will appear that hardly any merchant would publicly defend these kinds of dealings or the methods of accounts disclosed. Indeed all seemed to agree as to the desirability of something being done to put a stop to these irregular and highly suspicious methods of keeping accounts. The following is the brief purport of the discussions and consultations that took place with the merchants:—

(a) Some merchants were of the opinion that *Sowcars* doing business with *Kheduts* should be compelled to maintain a *Rojmel*. Others objected to it on the ground that the proposal was not practical, because there are several *Sowcars*, whose dealings are on a very small scale and further *Kanbis*, *Kolis* and members of other illiterate classes are among those doing such business.

(b) One of the suggestions made was to require all dealings with a particular *Khedut* recorded in the same *Khata* or account. But this was objected to by some merchants on the ground that the practice would work great hardship on the *Sowcar*, who will be obliged to sue for the whole of the amount due under the account and thus be penalized in greater costs of court-fees, etc.

(c) Against the suggestion of giving references of all other *Khatas* in one *Khata*, it was pointed out that this would subject the *Sowcar* to the payment of penalty in respect of unpaid stamp-duty for all *Khatas*, though the suit may relate only to one *Khata*. To avoid this difficulty, it was suggested that the amount of such penalty might be either remitted or reduced.

(d) To meet the evil of omitting to give credit for goods or cash received on account, the following amongst other suggestions were made :—

(i) All payments in cash or goods should be made in the presence of respectable Panch, to be appointed for each village, and further, receipts attested by such Panch, passed.

(ii) Failure to give credit for recoveries made should be penalized by the Sowcar being required to give credit for a larger amount several times the value of what is actually received.

(iii) All recoveries should be acknowledged by printed and numbered Kapia, *i. e.*, counterfoil receipts, so that both parties will be in possession of evidence of payments made and received.

(e) Some suggested that the Sowcar should supply each of his Khedut debtor with a pass-book similar to the savings' Bank pass-book supplied by the Post Office. All advances and receipts should be entered in this pass-book, which would always remain in the possession of the Khedut. But the objection urged against this pass-book system was that it would lend itself to abuse by the unscrupulous Sowcar, who taking advantage of the ignorance and need of the illiterate Khedut, would use the pass-book for creating false evidence against the Khedut himself, which he would not be able to refute.

(f) As regards the inclusion of commission in the amount shown as advanced in cash, the merchants explained that the practice has been followed because of the fear that the courts would disallow interest. In other words what they meant to say was that false entries had their partial justification in the Court's refusal to allow interest.

(g) Several merchants suggested that the heirs of a Khedut should be made liable to pay the debt of their father.

*Note :—*This is hardly necessary, since even now the Sowcar as a rule takes the precaution to make the sons and heirs of the Khedut liable for the bond debt by requiring them to sign the bond along with the Khedut himself.

(h) As Kheduts frequently transfer their interest in standing crops, an interim attachment should be allowed to prevent such transfer.

(i) Some merchants said that they had no objection to the practice being put a stop to, of settling accounts and carrying over the balance to a fresh account more than once in the year.

(j) Undue delay is caused in the execution of decrees, when the same is held up by the Co-operative Department and it is suspected that many Kheduts become members of the Co-operative Societies in order simply to avoid execution of decrees.

(k) The civil courts do not allow more than 9 to 12 per cent interest, and hence money-lenders recoup themselves for loss of interest by charging commission, which is concealed either by being shown as a

cash advance or by other fictitious entry. With a view, therefore, to induce money-lenders to be more honest, courts should be invested with discretionary powers to allow 15 to 20 per cent interest and the law amended accordingly. This will also prevent money-lenders from endeavouring to obtain higher rates of interest by oral agreement.

*Note :—*This relates to a suit based on the last account stated, bringing over the sum remaining due from the previous accounts, but what about the practice of the court of not going behind the last balance struck and not opening up the previous transactions ?

13. Also the Committee held discussions with several neutral parties such as Nyayadhishas of Mahals, Vakils and others. The suggestions offered by them seem to pay due regard to the interests of both parties, and they are as under :—

(a) When a money-lender sues a Khedut, he should be required to add a special paragraph to the plaint giving details of all dues outstanding other than the one, to which the suit relates at the date of the institution of the suit, so that the Khedut defendant may be apprized of the aggregate amount of debt owing by him, thereby effectively preventing chances of subsequent clandestine increase of the debt amount by additions of commission, interest, &c. Further, such declaration would be binding on the plaintiff, while it should not be considered as binding on the Khedut defendant, who should not be required to admit or deny the statement of other debts since it does not form part of the subject-matter of the suit.

(b) The money-lender maintaining a Betha-khata book should be compelled to number the pages so that he may be prevented from subsequently adding to or removing the pages and also that he may have no chance left for antedating Khatas relating to transactions of posterior date.

(c) Exparte decrees are often obtained in suits against Kheduts. Even where the defendant Khedut is present, the ingenious Sowcar either through persuasion or the mediation of a Panch manages to secure an agreement or an award and the same is decreed by the court. In such cases no inquiries are made as to what the actual amount lent was and what additions were made by way of commission and interest. To put a stop to this practice and to prevent the ignorant Khedut being victimized, a paid Khedut Vakil should be attached to each court for the protection of Kheduts.

(d) Sums paid, out of court, on account of a decretal debt are either not given credit for at all or appropriated to some other Khata debt. To prevent this, either the use of counter-foil receipts should be compulsorily prescribed, or the plaintiff should be required to obtain two copies of the Courts' decree, one of which he should hand over to the defendant Khedut and, further, all payments made on account should be receipted by the plaintiff on the copy of the decree in the defendant's possession. The plaintiff shall in the first instance pay the cost, of both copies, but shall be entitled to recover the same in execution like any other legal costs. It was pointed out by some merchants that the necessity of notifying every payment made out of court entails undue expenses and also the trouble of frequently going to the court.

(c) Where there is failure to give credit for payment received, the plaintiff besides being proceeded against criminally, should be penalized by being made to credit towards the decretal debt an amount five times the sum actually received.

(f) As long as the decretal debt remains unsatisfied, all payments received should be first appropriated to that debt and not to any other debt. This was suggested by a pleader, but others thought it was unpractical.

(g) Drastic rules should be enacted enjoining on the money-lenders to truly describe a balance-account as such, with clear mention of the arrears brought over and not to make it appear as a new account of fresh cash advances made. The rules should also severely penalize failure to square up, through carelessness or deliberately the old accounts settled and carried over to a new account opened.

(h) As regards the practice of calculating interest on the total of the debt entries only without giving rebate of interest for the amounts credited, it should be enjoined upon them to calculate Kāpia Vyaj. In other words, interest should be calculated on the balance found outstanding from time to time after deducting the payments made on account.

(i) A receipt for the money paid in should be passed compulsorily.

(j) There is no objection in giving, in the plaint, details of dues other than the one to which the suit relates, if there be any.

(k) The merchants are agreeable to the practice being put a stop to of settling accounts and striking a balance more than once in a year.

(l) Legislation should be introduced making it compulsory for the Courts in all suits against a Khedut to open the accounts from the commencement of the transactions, out of which the suit has arisen, with a view to ascertain the sum that is really due and outstanding. There is no equality of knowledge, position, capacity, &c., between the Sowcar and the Khedut; and so even from the point of view of strict justice and equity, it should be considered most improper and unfair to apply a highly evolved and technical procedure, intended for parties of equal status and position, to parties who manifestly are on such an unequal footing as the Sowcar and the Khedut are.

(m) The fear was expressed by some that applying the rules of liquidation of debts of the Mulgirassias to indebted Kheduts would lower the credit of the latter. It was also pointed that there are decisions of the Appellate Courts as well as of the Hazur Court forbidding the opening of past transactions, where the suit was based on an account stated and so these decisions must be adhered to and followed. The omission to give credit for a sum paid towards a decretal debt falls under the offence of cheating (vide 24, Bombay, High Court); and so there was no need to introduce special legislation to penalize such omissions.

(n) In case the rules of liquidation of the debts of the Mulgirassias were applied to the indebted Kheduts, the money-lenders would, from the outset, add interest and commission to the principal lent, and taking

advantage of the Kheduts' need and ignorance prevail upon him to file in the Court a compromise deed or a make-believe award of so-called Panch and get the same decreed. This should be stopped, otherwise the object of applying to Kheduts the liquidation scheme relating to Mulgirassias would be frustrated.

(o) It is not enough to improve the economic condition of the poorer Kheduts and afford them facilities to obtain necessary finance with greater ease in the future ; but these measures should, in the first place, be preceded by the liquidation of their past debts. For this purpose special powers of arbitration should be given to the courts or special officers to be appointed in this behalf; and in cases, where the total amount of the debts due by the Khedut is within a certain multiple of the annual assessment payable by him, the court or such officers should be given discretion to award a sum equal to twice or thrice the amount of the principal, having regard to the period over which the transactions are spread and after going into details of the sums actually advanced and the interest and commission charged, and also to order payment of the sum awarded by instalments. And the Darbar should assist in the recovery of these instalments by ordering an additional levy of a certain anna proportion of the assessment Nam, that may be fixed for each year.

(p) If the right is granted to the Kheduts of transferring land in their possession by sale or mortgage, it might, perhaps, improve their credit and thus enable them to obtain necessary finances with greater ease. But it is feared that such right might also set up and accelerate the tendency of the holdings passing from cultivators to non-cultivating mercantile classes, who would only be interested in rack-renting the land. Whether such a development would be desirable in the interests of the bona-fide agriculturist classes themselves, is very doubtful. But freedom of transfer among Kheduts *inter se* would not be open to any such objection. On the contrary, such a right of transfer would help to pass the land, in course of time, into the hands of the richer and better class Kheduts, a welcome change, which would react beneficially, leading to better and more improved cultivation of the soil.

(q) A few pleaders pointed out that criminal prosecution for omission to appropriate payments made towards a decretal debt might frighten away even honest dealers, who would stop doing the business of money-lending altogether. But others supported the proposal of fixing a penalty for such omission whether it was intentional or the result of carelessness.

(r) Payments made out of court have to be notified by the Defendant Kheduts to the court within a period of 90 days from the date of such payment. Some proposed that this time-limit should either be extended or abolished. But such extension or abolition of the time-limit would, it was pointed out by others, give rise to false disputes regarding alleged payments or adjustments long after the date of such payments or adjustments.

(s) A suggestion was also made with a view to inquire and ascertain whether payments made privately during the pendency of attach-

ments in the execution of decrees have, as a rule, to be reported to the Revenue Department and whether such payment is liable to be remitted to the Revenue Department and credited to the Darbar arrears outstanding.

Note :—Such payments are never reported to the Revenue Department. In fact where there are dues owing to the Revenue Department. the judgment—creditor levies attachment only to harass the judgment-debtor and get him to pay up privately as much as possible ; and when this is done, the plaintiff immediately raises the attachment and thus injures the prospects of Darbar recoveries.

(1) Merchants take delivery of cotton produce stipulated to be purchased by them if the prices have since risen, but they refuse to take delivery when there is a fall in prices. The Khedut cannot owing to illiteracy and poverty seek redress through courts of law. Necessary steps must be taken to set right this unsatisfactory position.

(u) When a Sowcar has more accounts than one standing in the name of the same Khedut debtor, it would be possible to, at once, obtain information about the Kheduts' aggregate indebtedness if references of other accounts outstanding be given in each new Khata opened. This will also remove the possibilities of fabricating false Khatas subsequently.

(v) Considering that the Khedut has separate accounts with the dealer in cloth, or grain or again with the Sowcar lending money, it would, it is feared, cause no end of inconvenience, if each dealer was required to furnish a separate Pass-book to the Khedut and the system of showing all transactions in one Pass-book does not sound very practical.

(w) Means of husbandry such as bullocks, &c., are exempted from attachment, and yet the creditors manage to privately obtain them from the Khedut in adjustment of debts. This must be put a stop to, though, where the Khedut has means of husbandry in excess of his needs, he should be left free to transfer them to his creditor in lieu of cash-payment:

(x) Sandhis dealing in bullocks render useful service to the Kheduts. They recover only the sale price without charging interest or commission even when payment is delayed for two or three years.

(y) A merchant of Umralla stated that formerly the Bhavnagar merchants used to finance them, which in turn enabled them to finance the village Kheduts with ease. Now all the money being concentrated in the Durbari Bank, there is great scarcity of fluid capital and the merchants are now unable to accommodate the Kheduts, as they formerly did. If Darbar guarantees recoveries, merchants would even now be prepared to advance to Kheduts, loans in proportion to the assessment payable by them and on terms to be prescribed by the Darbar. Rise in the wages of labour is also a contributory cause in the impoverished condition of the Khedut.

(z) If it be decided to have all dealings with Kheduts attested by independent respectable Panch, such dealings, where they are for an

amount exceeding a limit to be prescribed, should be required to be attested before the Thandar or before the members of the co-operative society of the village where it exists.

14. I have attempted to give above an idea of (1) the extent of indebtedness of the Kheduts, (2) the nature of the Sowcar's dealings with them and (3) his methods of account-keeping, and I have also indicated in brief the suggestions made by merchants and neutral parties in this behalf. The only class, which suffers all this in mute silence is that of the Kheduts, who have not come forward before the Committee to put forth their view point. Neither could they do so. Therefore I feel it a greater pleasure to record here that the impression I formed in the course of our discussions with the more respectable merchants was that they had realized the unfortunate condition and circumstances of the Khedut class as fully as the members of the Committee themselves and, what is more, these merchants had the fairness to admit the facts of the situation and even put forth constructive suggestions to improve things.

15. As I have stated above, the President has patiently and sympathetically gone through all the data gathered by the Committee; and further he has been twice to Gadhadra accompanied by the members of the Committee and there discussed matters with the local merchants. He has also personally examined the nature of the Sowcar's dealings with Kheduts and his books of account and the manner in which accounts are kept and the seriousness of the problem has been thoroughly brought home to him.

16. There is no reason to believe that the state of things above described is peculiar to our State only. It has developed wherever there are Kheduts and attempts have been made to remedy the situation by passing special laws or taking similar measures. Reference to the past history of the Deccan Agricultural Relief Act shows that the Kheduts' riots in Poona, Satara, Sholapur and Ahmednagar had their original mainly in the harsh and tyrannous methods resorted to by the Sowcars in making recoveries of their debts from the Kheduts. Several murders were committed and houses of creditors plundered with the sole object of removing and burning the books of account. The printed report of the Deccan Riots Committee is attached herewith, a perusal of which will convince the Council that symptoms presaging a situation similar to the one that existed in the Deccan at the time of the agriculturists' riots there, have begun to be visible here.

Fortunately our Kheduts are meek and gentle. Had they anything of the martial spirit in them, they would have become mutinous long before. However it would be no matter for surprise if things tended in that direction sooner or later, should there be failure to take timely remedial measures. As a result of the Kheduts' riots there, the Deccan Agriculturists' Relief Act came to be passed to give relief to the agriculturist class. The chief object of this legislature was to invest the courts with powers to open up the accounts of transactions from the commencement and to ascertain and award the sum really due on account of principal and interest; for the merchants charged heavy rates of interest and commission and effectively concealed these recoveries by manipulating their accounts. Though the measure was at first enacted only for Poona, Satara, Sholapur and Ahmednagar, those portions of the Act, which authorize the opening of transactions and accounts from the

commencement and the awarding of the sum found really due have been applied to the whole of the Bombay Presidency since 1905 A. D. and I wonder, why it should not be applied to this side, considering the irregularities in dealings and system of accounts that have been noticed here. Indeed I am of opinion that it is the State's duty to do so. There is no other course left where the more advanced classes are found to exploit the poor and the illiterate. Similar steps have been taken in other parts of British India besides Bombay. But I see no need to dwell upon their details here. Where a disease has set in, means must be devised for its correct diagnosis and proper treatment. Even in advanced countries like England, Acts have been passed with a view to regulate the rates of interest not only for Kheduts but for all classes of the people.

17. I know it full well that the President of the Council believes that this evil will not disappear by merely enacting a new law and that belief is true to a great extent. The whole question is very complicated. The financial relations of the lender and borrower—a very delicate matter always—are involved therein. Kheduts do need the help of money-lenders every now and then. The merchant is a vital and indispensable factor in the village-economy and the Durbar cannot replace him. In this dilemma, I believe the best course would be to take such steps as are indicated by the needs of the situation, ultimately with a view to restore both parties to their former position of mutual trust and service without exploitation on the one side and victimization on the other. Moreover we cannot connive at and condone the practices brought to light during the Committee's inquiry. If that be allowed, the conditions of the Kheduts would soon worsen and economic ruin overtake the whole class, which would again react on the merchants themselves and involve them in heavy losses.

18. This is fully realized by the merchants or at least by the better and more farseeing section of them, and that is why they have come to see and acknowledge the necessity of some restrictive legislation, which would stop the present unchecked exploitation of the Khedut classes. Of course I do not mean that we should remain content with merely enacting a law. Considering all the circumstances, the merchants, the Kheduts, and all are agreed as to the urgency of some action being taken.

19. In this connection the President of the Council had a good deal of discussion with the Members of the Committee as a result of which certain conclusions have been formed. They are as follows:—

(i) Where it is possible, endeavours should be made to liquidate the past debts of the Kheduts and for this the co-operation of the merchants should be enlisted.

(ii) Where in future suits are filed against Kheduts, the law should be so amended as to enable the courts to examine the whole history of the transactions—out of which the suit has arisen, in order to find out the additions by way of interest and premium and the manipulations in accounts, and finally to make an equitable award fair to both sides.

20. Of the measures, the first, though feasible, can only be adopted in practice if the merchants are agreeable. In such wholesale liquidation it is

not possible to award the full amounts shown as due according to the accounts of the merchants. Simple interest at 12 per cent per annum should be calculated on the amount actually lent, and payments on account should first be appropriated to the interest accrued due; and then the balance remaining together with interest not exceeding the amount of the unpaid principal could with propriety be awarded to the Sowcar. In order to examine the history of all transactions from the commencement a Committee should be formed of two Darbari officers, two Panch of the Mahal and two Panch of the village. The lines on which the Committee should carry on their work are laid down in Exhibit 1, and the Kheduts' redemption from indebtedness can only be achieved if the merchants co-operate and assist in adjustment at the rate of four annas in the rupee of the total nominal arrears according to their books of account. This would restore the Kheduts' old relations with the merchants. The amount required for the liquidation of the Kheduts' debts may be advanced as a loan by the Darbar at the rate of 4 per cent interest, and the recovery of the same may be effected by enforcing the scheme shown in Exhibit 1, and this will not cause any hardship to the Khedut, especially as the rate of interest charged will be so moderate.

21. The scheme of recovery of the redemption loan advanced by the Darbar has been explained in Exhibit 1. But any village, which, in order to obtain greater relief and a wider scope of action and development wishes to introduce the Village Panchayat system shall have the same extended to it, according to the terms and conditions laid down in Exhibit 2. The Darbar trust that the attention of the rural population will be specially drawn to this subject. By introducing the Panchayat system, there is every likelihood of the village being able to improve the economic and other conditions of the people and this fact should specially be borne in mind, in considering this subject of Gramya Panchayat.

22. For the future, a law should be enacted laying down the procedure for the hearing and disposal of suits brought against indebted Kheduts. A draft Bill for such a law is attached hereto as Exhibit 3. Suitable provisions of the Deccan Agriculturists' Relief Act have been adopted therein.

23. Redemption of the Kheduts' past indebtedness and recovery of the loan advanced by the Darbar in that behalf, may be carried out as shown above. Further the executions of civil decrees, against Kheduts, which was formerly entrusted to the Revenue Department, and which has since been transferred to the Judicial Department, should be retransferred to the Revenue Department to save needless harassment at present caused to the Kheduts in execution proceedings. The draft order relating to this subject is Exh. 4. In British India, execution proceedings against Kheduts are entrusted to the Revenue authorities.

24. If the Council agree to the course of action suggested above, the same may kindly be sanctioned. Several suggestions have been made by the merchants as regards the manner of keeping accounts and other matters. But further consideration has to be given to them to find out which of these are practical and which are not. When this is done, such action as is thought necessary will be proposed.

22-7-29.

T. K. TRIVEDI,
Member of Council.

Appendix VIII.

The Khedut Debt Redemption Scheme.

Council Resolution No. 219.

A Committee was appointed to enquire into the indebtedness of the Darbari Kheduts of this State. As a result of the enquiries made by this Committee, it has been found that the terms of dealings between the merchant creditor and the Khedut debtor were as a rule fixed by taking undue advantage of the ignorance and need of the Kheduts. Similarly the account books of creditors have been found to be containing many irregular and suspicious entries. So with a view to improve this state of thing, and to place the relations between the creditor and the debtor classes on a purer and better footing, and also to enable the latter to recover the monies advanced by them at reasonable rates of interest, the Darbar have considered it expedient to draft a bill called the Agriculturist Protection Bill and to publish it in the Darbar Gazette by Outward No. 1179, dated 4-10-29, for the information of the public and for giving them an opportunity of offering their views ; and after taking into account what they have to say in the matter, such action as is thought necessary and proper would be taken. But in the meantime the Darbar desire to liquidate the past debts of the Kheduts by advancing loans to each individual Khedut at easy rates of interest, if such liquidation is possible and if the Sowcars are prepared to accept the actual principal originally lent plus interest at a moderate and equitable rate. Now, therefore, it is considered expedient to order as under :—

1. If a majority of the Kheduts and Sowcars of any Mahal of this State jointly apply, expressing a desire to avail of this liquidation scheme, the Darbar will be pleased to favourably consider such application.

2. Upon such an application being made by both the creditors and debtors the Darbar will appoint a Debt Liquidation Committee as under :—

(a) This Committee will consist of two Darbari Officers, of whom one will be drawn from the Revenue Department and one from the Judicial Department.

(b) The creditors of the Mahal whose outstanding accounts with the Kheduts are to be liquidated, will nominate two respectable Panch, who will be appointed to the Committee as members representing the creditors.

(c) The Darbari Officers mentioned in sub-clause (a) and the Panch on behalf of the creditors mentioned in sub-clause (b) will jointly coopt one or two respectable persons of the village in regard to which the work of liquidation is taken in hand.

3. When this Committee will take, in hand, the work of liquidation in respect of any village, all the creditors and all the debtors of that village shall give an undertaking to the Committee to the effect that the

awards of this Committee shall be binding on both the parties. Those who refuse to do so, will be debarred from the benefit of the liquidation scheme.

4. All debts whether decretal or attested by a bond or otherwise due by all the debtors of every creditor and to all the creditors of every Khedut debtor upto the date of the commencement of the work by the Committee shall be included in the liquidation scheme and unless this is done, the work of liquidation shall not proceed any further.

5. This Committee shall, having regard to the statement of objects and reasons accompanying the Draft Agriculturist Relief Bill published in the Darbar Gazette, examine accounts in accordance with section 10 of that bill and fix the the amount of the debt outstanding.

6. If the total amount, that may be awarded in satisfaction of all the debts of any Khedut exceeds a sum three times the amount of the annual assessment payable by him, then the latter sum only shall be ratably distributed among the creditors, and the debtor Khedut shall be discharged in respect of the balance remaining.

7. Where the total amount adjudged, under clause 6, to be given to the creditors on behalf of the indebted Kheduts is within the limit of a certain anna proportion to be fixed by the Darbar of the nominal arrears outstanding in the books of accounts of the creditors, the Darbar shall undertake to disburse such amount; and always bearing this limitation in mind, the creditors and the debtors, will, the Darbar hope, cooperate in carrying out the work of liquidation.

8. The Committee shall prepare a statement showing the names of each individual Khedut debtor together with those of his creditors and the amount proposed to be awarded in liquidation within the limits prescribed in clauses 6 and 7 and shall then request Darbar's sanction to the statement thus prepared.

9. If this statement is considered as fit to be sanctioned the Darbar will order advances, to be made on behalf of the Kheduts concerned, of the sums shown in the statement at a rate of 4 per cent per annum simple interest, and the Committee shall then disburse the respective amounts to the creditors, after first obtaining a discharge from them.

10. After liquidation has been effected in pursuance of this Resolution, all debts of a date prior to the date of liquidation shall be considered to have been fully paid up and discharged and no suit shall be entertaining in any court of this State in respect of any such debt.

11. For the recovery with interest of the sum which the Darbar may have advanced on behalf of any Khedut under clause 9 for the liquidation of his past debts, the produce of such Khedut shall be brought over to the Darbari Kbalawad, and, after setting apart the State's share that would be due under the Bhagbatai system, shall first deduct from the sale proceeds of such share, the amounts due on account of the current year's assessment according to the Nam fixed as also the Tagavi loans falling due and then apply the remaining balance towards payment of the inter-

est and principal of the Redemption loan advanced on behalf of the Kheduts and this shall be done from year to year until the whole of the amount due on account of such loan is recovered in full. The Khedut's share of the produce will be left to the Khedut and this will enable the Khedut to maintain himself with ease. Any Khedut who has a bumper crop and who desires to reimburse in full the loan advanced for liquidation of his past debts, will be free to do so.

12. Any new point arising during the proceedings of the Committee appointed for the work of liquidation, which cannot be elucidated by reference to the provisions of this resolution, shall be referred by the Committee to the Darbar for necessary orders.

This resolution shall be published in the Darbar Gazette for the information of all concerned.

St. 1985, Ashwin Sud 2, Friday.

Dated 4-10-29.

By order of the Council of Administration,
Hargovind Manishanker,
Secretary.

Appendix IX.

Regarding the Establishment of Village Panchayats.

Council Resolution No. 226.

In order to interest the people in matters of common well-being such as Village-protection &c., and also to help them to jointly work for and solve without outside aid, questions touching their own common interest, and also to enable them to manage their own affairs, the Darbar desire to establish Gramya Panchayats in the villages; and for this purpose the following tentative rules are propounded:—

1. Where a demand is made by the people of a village for the establishment of Gramya Panchayat in their village, the Darbar will take necessary steps to do so.

2. The Village Panchayat, which may thus come to be established, shall not consist of less than 5 Members, from among the leading Members of the Khedut and other sections of the village community who are nominated by the village people as a whole.

3. In addition to the Members nominated as above, the Darbari Revenue Patel and the Mukhi shall be ex-officio Members of the Panchayat. But any such Mukhi or Patel is liable to be changed or replaced at the instance of the village-people, provided there are valid reasons for so doing.

4. On the expiry of the term of office of the Members so appointed, which is fixed at 3 years, fresh nominations will be made and at the end of each successive 3 years, a new Panchayat will be appointed, from among the leading men chosen by the village.

5. In the event of a vacancy occurring within the period of 3 years, the person, whose name is proposed by the village-people, will be appointed to such vacancy. But pending such appointment, the remaining members shall carry on the work of the Panchayat.

6. The Panchayat shall have power to employ any person as Talati, who is fit to assist them in the work of the Panchayat. But the Darbar shall defray the costs of his pay, which shall be fixed with due regard to the assessment of the village. Necessary arrangements will also be made, if the Panchayat so desire, to loan, for the office of Talati, the services of any man of the Revenue Department who is competent for the work.

7. The Panchayat shall also have power to appoint the Revenue and Police Chowkidars of the village, subject only to their confirmation by the heads of the Departments concerned, and the State shall reimburse to the Panchayat, the costs of their pay, according to the present scale or the scale that may, from time to time, be prescribed for such posts. The Panchayat shall also have power to continue or dispense with the services of these village servants. Only their appointment is subject to the approval as to fitness of competent authority, as stated above.

8. Pasayatas and others, who hold alienated land on service tenure and who are at present under an obligation to render service of some kind or other, shall continue to give such service under the control and direction of the Panchayat. If any such person makes any default in service or is seen to be in complicity with any bad character, and if the Panchayat will make a complaint in this behalf, the holding of such person will be declared forfeit to the Darbar, who will make arrangements to transfer the holding to another suitable person and ensure continuity of service to the village, where it is the practice so to do.

9. Village tanks, wells, roads and such other works of public utility, will be under the care and supervision of the Panchayat; and for the maintenance and repairs of these works, the Darbari contribution for *Abadi* shall continue to be added as at present, to any sums which may be collected by the village people in this behalf.

10. The proceedings of the meetings of the Panchayat shall be recorded in a book to be maintained for the purpose; and all members present at the meeting shall sign the same. Half the number of the members constituting the Panchayat will form a quorum.

11. The management of all matters except that of the alienated, Bhat, Mulgaras, Sudhara-varad and Rajhak lands shall be vested in the Panchayat, if they so desire.

12. The administration of all Darbari Khata land as also of alienated lands bearing full or half assessment, at present, in the possession of Kheduts, will vest in the Panchayat, who will administer them, as Thandars do, in accordance with the rules and regulations in force at present. The Panchayat shall be liable to pay to the Darbar, according to instalments prescribed and on due dates, the amount of assessment payable under the current settlement or as may be fixed hereafter at a revision settlement. But the amount so payable shall be increased or decreased, when and according as any new land is leased out for cultivation or land paying full assessment is transferred to waste-land or any Sudhara-Varad or Rajhak land reverts to the State and is given over as Darbari assessed land.

13. When any Darbari Khata holding falls vacant, the Panchayat shall have power to auction the same and appropriate the Sukhadi amount that may be realized at such auction; but they shall instead be liable to pay to the Darbar the average annual Sukhadi amount realized during the past 20 years. The Sukhadi of Padttar land rented for cultivation shall also be fixed on the same principle; but the renting of such Padttar land shall be subject to the previous sanction of the Darbar.

14. The Sudharavard and other levies payable by the holders of Bhat, Mulgaras, Sudharavarad, Rajhak or other alienated land shall continue to be recovered direct by the Darbar as at present.

15. The land revenue dues shall be payable to the Darbar according to the Pralbandi system at present in force. However, if the Panchayat, for their internal convenience, desire any change in the system, they will be allowed to make such a change subject to the previous sanction of the Darbar.

16. When in a good or bad year, an anna levy is fixed for other

villages of the Mahal, the Panchayat will also be entitled to pay assessment according to the Nam fixed for the village.

17. A statement showing the amounts outstanding in the village before the grant of Panchayat shall be prepared and handed over to the Panchayat, which shall recover the same as also the arrears accumulated in subsequent years, from the excess levy that may be ordered to be collected in a good year over and above the assessment. The amount so recovered shall be paid to the Darbar.

18. Tagavi advances under the existing rules shall continue to be given to the Panchayat Village if there is a demand for them.

19. If necessity arises to acquire any village land, for Darbar purposes, the same shall be acquired under the rules in force at present,

20. The Panchayat shall continue the practice in force at present, with regard to the houses or huts attached to the holding. Mutual transfers of houses may also be effected subject to Darbar sanction. The Panchayat shall report to the Vahivatdar the disposal by auction of such houses or lands or vacant sites for houses and the latter shall then send the usual Lekhs for the same.

21. The Panchayat shall have all the powers conferred under the Revenue Code for demanding security from any Darbari Khedut for assessment dues, for prohibiting removal of standing crops for making recoveries by attachment of properties, and for forfeiture of Khata land &c. Further all possible help which may be required in this behalf, shall be rendered by the Revenue Department.

22. The administration of all miscellaneous levies except the Revenue Assessment and the Sukhadi for the Darbari Khata land, shall be entrusted to the Gramya-Panchayat, subject to its paying to the Darbar the annual average amount realized in this behalf during the last 20 years, and the Panchayat shall administer these matters in accordance with the Revenue Code and the rules and circulars made from time to time. The average amount so fixed is payable in good and bad years alike. But a statement showing the arrears on this account relating to the period before the grant of the Panchayat shall be prepared and handed over to the Panchayat, which shall recover such arrears and remit them to the Darbar.

23. The Darbar shall continue to enjoy, as at present, their prior right of recovery, in respect of land revenue dues, and the Panchayat shall act in accordance with the existing procedure, in regard to the execution of decrees against Kheduts and others.

24. The Panchayat shall maintain a book of Betha-khata for the management of the village: and at the end of the year, a copy thereof shall be made and the original submitted to the Thandar's Office. The entries in the book shall be written up under appropriate heads and sub-heads, as is the practice in regard to the Betha-khata-book at present. The Mahal Office shall supply, on the Panchayat's request and at their expense, all the necessary books and registers, such as the Betha Khata book, Rojmel, Ledger, Pahani-patrak, Receipt books, etc., and the books, which are stamped at present, shall continue to be so stamped.

25. The Darbar shall cause the emoluments of Patel, Mukhi, as well as the Haks of Mulgirasias and others to be paid, through the Panchayat, to the parties concerned.

26. The Panchayat shall have power, after obtaining the previous sanction of the Darbar in that behalf, to remove any person from the village, if they think it proper so to do, in the interest of the peace and general security of the village.

27. If the Darbar are properly satisfied with the Panchayat administration of any village, the Darbar will take necessary steps to delegate, to the extent they think proper, to the Panchayat, powers under the Civil Procedure Code to hear money suits upto a prescribed limit, as also powers under the Cattle Trespass Act and the Indian Penal Code, to try petty cases of theft and mischief.

28. In a village where the rights of ownership and sale have been conferred, the Chauth cess payable at the time of transfer of ownership and the ground cess payable for acquiring the right of sale, shall continue to be recovered direct by the Darbar as at present.

29. The Darbar shall directly recover, as at present, the Customs Duty leviable according to the British Tariff Act, upon goods which having been imported at a foreign port, are brought by land within the limits of any village of this State.

30. Matters relating to opium, salt, excise, arms and ammunition, shall continue to be administered by the Darbar, as at present.

31. The registers and returns of the cattle-pound-fees, births, deaths, and crops, shall continue to be submitted, as at present by the Village Patel and Mukhi, who will be held responsible for the same.

32. Fines and penalties being Darbar revenue, the Panchayat shall remit to the Darbar any amount collected by way of fine or penalty.

33. If any Panchayat applies to be relieved of the Panchayat administration, the same shall be terminated at the close of the year.

34. The Darbar may suspend any Panchayat if they think that it is not administered according to the existing rules and regulations, or if they find the Panchayats unable to carry on.

35. Every request for any additional convenience and concession besides the above, made by the people at the time of applying for the Village-Panchayat, shall be duly considered, and the needful done in the matter. In brief, the Darbar's earnest wish is that each and every village should be enabled to manage its own internal affairs.

The above resolution to be published in the State Gazette for the information of the public.

D/ 4-10-1929.

By order of the Council of Administration,

HARGOVIND MANISHANKER,

Secretary,