

PUNJAB BACKWARD CLASSES (GRANTS OF LOANS) ACT, 1957

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1951. TABLE OF CONTENTS Sections. 443 2. 3. 4. 5. 6. 7. 8. 9. 11. 12. 13. 14. title, extent and commencement. Short Definittions. Limit ot Loan. procedure for sanctioning loans. Security tor repayment of loans, Agreement to be executed by applicant. Loan how repayable. Inspection and supply of information. Consequences of failure by borrower to comply with an order made or to furnish information required under section 8. Appeal. Mode of recovery. Finality of decision of Government. Legal proceedings. Power to make rules. 1957: Pb. Act XVIII BACKWARD CLASSES (GRANTS 445 ITHE PUNJAB BACKWARD CLASSES (GRANTS OF LOANS) ACT, 1957. punjab Act No, XVII of 1957. [Received the assent of the Governor of Punjab on 10th July, 1957, and firs(published for general informa- tion in the Put(jab Government Gazette iraordinary) of 13th July, 1957.] 2 No.' Year 1957 3 Short title The Punjab Backward Classes (Grants of Loans) Act, 1957 AN ACT 4 Whether repealed or otherwise affected by legislation Amended by the Punjab Reorganisa- tion of Laws on State and Concurrent Subjects) Order, 1968 to provide for the extension of loan facilities to persons belonging to Backward Classes in the State of Put!iah. BE it enacied by the Legislature of (he State of Punjab in the Eighth Year of the Republic of India as follows . 1. (1) This Act may be called lhe Punjab Back- short ward Classes (Grant of Loans) Act, 1957. and meat, (2) It extends (o (he whole of (he 2[Union territory of Chandigarh]. iFor Statement of Objects and Reasons, see Punjab Government Gazette (Extra. ordinary), 1937, page 661. SUBstituied for the words "State of Punjab" by the Puruab Reorganisation of Laws on state and Concurrent Subrcets) Order, 1968, DeEtions. Limit of loan. 446 BACKWARD CLASSES (GRANTS [195 : Vb. Act (3) It shall come into force at once

2. In this Act, unless the context otherwise re.quires,— (a) ' 'Backward Classes" means persons belonging and Scheduled Tribes as notified in the Scheduled Castes and Scheduled Tribes (Modification) Order 1956, or other classes of citizens declared by Government to be Backward Classes from time to time (b) "borrower" means an individual belonging to a backward Class to whom a Joan has been granted under this Act (c) "Controlling Authority" means the authority appointed by the Government by notifica- tion in the official Gazette to be competent to sanction a loan under the powers conferred by this Act and to take such steps as are necessary for the enforcement of the provisions of this Act. (d) "Government" means the 1[Central Govern- ment]• (e) "the loan" means interest-free loan granted by (he Government to a borrower (f) "prescribed" means prescribed by rules made under this Act. 3, The amoun(of loan which may be *ranted to a borrower under this Act shall not exceed two thousand rupees. 'Substituted for the words "Government of the State of Punjab" by lhe Punjab Reorganisation of Laws on State and Concurrent Subjects) Order, 1968, 1957 : Pb. Act XVIII CLASSES (GRANTS 447 OF LAWS) 4. (1) Any person belonging to the Backward Procedure for Classes rmay submit to the Controlling Authority an ap- sanctioning loans. plication in the prescribed form, supported by an affidavit stating the amount of loan desired by him, the purpose for which it is desired and the manner in which the re- payment of the loan, if granted to him, is proposed. (2) The Controlling Authority, if satisfied that the applicant is a person belonging to the Backward Classes, may sanction the loan to the extent of the amount stated in the application or any lesser amount, subject to a maximum of two thousand rupees in each case. 5. (1) When an application for loan has been Security for-,remy- sanctioned, the applicant shall execute a bond in the ment of loans prescribed form undertaking to apply the money lent to the purpose or purposes for which, and to fulfil the con- ditions on which, the loan has been sanctioned. (2) For the loan so sanctioned, the applicant shall furnish one surety, and the person and property of the applicant as well as of the surety shall be liable for the repayment of the loan and costs, if any, incurred in making or recovering the loan Provided that the Controlling Authority may in any case exempt the applicant from furnishing a surety. Agreement to be 6. When the application for a loan has been sanc- executed by tioned the applicant shall execute a bond in the pres- applicant. cribed form undertaking to apply the money to the pur- pose or purposes for which, and to fulfil the conditions On which, the Joan is granted and shall undertake that if it is not used for such purposes or if there is any breach of such conditions, the amount of the loan shall be re- coverable from him in tho prescribed manner

7. The loan shall be repayable by the borrower in Loan how repayable. 20 half-yearly equated instalments : Provided that the repayment of instalments shall Commence on the expiry of four years from the date of payment of the loan. Inspection and supply of information. Consequenx of failure by borrower to with an order made or to furnish information required under section 8. Appeal. 448 BACKWARD CLASSES (GRANTS [1957 ; Pb. Act 8. Any borrower who makes default in "the ment of the loan or any instalments thereof shallP {ye• (a) to comply with any general or special order of the Controlling Authority relating to the inspection of the premises, buildings, machinery and stock in hand purchased or hired by the borrower with the aid of the loan granted to him ; and (b) to furnish any Information which the Con. trolling Authority may require in respetn of the purpose or purposes for which the loac was granted or of the manner in which the loan has been or is being utilised 9. T the borrower fails without reasonable cause— (i) to comply with any order made-or to-furnish information required under section 8,- or (ii) if the Controlling Authority, after inspection provided for in section 8 or otherwise, is satisfied that the money lent is not being ap. plied •to the purpose or purposes for which it was lent or that any condition on which it was granted is not being duly fulfilled, the Controlling Authority may declare, notwith- standing anything contained in tho. bond executed by the borrower; that the Joan shall be immediately recoverable and shall give notice of such declaration to the borrowers 10. Within six weeks of the receipt of the notice under section 9, the borrower may appeal against the declaration of the Controlling Authority "to the Govern- ment, and the decision of the Government thereon shall be final. (1) When the loan or an instalment thereo 11. Mode of recovery. falls due and is not paid on or before the due date' when the loan has been declared immediately recovers 1951 : pb. Act XVIII BACKWARD CLASSES (GRANTS 449 der section 9, and subject to the order made on appeal under the preceding section, the Controlling Authority un cause to be served on the borrower, a notice calling n him to pay the sums due within such time and to nay such officer as may be fixed therein. (2) In case of default in complying with such notice, ihe sums specified in the notice including costs, if any tncurred by the Government may be realized as arrears of land revenue

12. The decision of the Government as to whether Finality of decision the conditions laid down in or under any of the provisions of Government. of this Act have been satisfied shall be final, and no suits shall be brought in any civil court to set aside or modify any order made thereunder, nor shall the same be questioned by any court of law in any proceedings whatsoever. Legal proceeding 13. No prosecution, suit or other proceedings shall lie against the Government or any officer or authority vested with powers under this Act for anything in good faith done or intended to be done thereunder. 14. (1) The Government may make rules consistent Power to make with this Act for the carrying out of all or any of its pur- rules. poses. (2) In particular and without prejudice to the generality of the foregoing power, the Government may make rules regulating or determining all or any of the following matters, namely . (i) the forms Qf the applications to be made and deeds to be executed in respect of loans (ii) the mode in which payment of loans is to be made to borrowers (iii) the forms of notices to be given or dec'Jara- tions to be made by the Controlling Authority; and (iv) the purposes for which loans may be sanctioned under this Act.