

Andhra Pradesh Charitable and Hindu Religious Institutions and Endowments Money Lending or Borrowing Rules, 1987

ANDHRA PRADESH

India

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Rule

ANDHRA-PRADESH-CHARITABLE-AND-HINDU-RELIGIOUS-INSTITUT of 1987

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Andhra Pradesh Charitable and Hindu Religious Institutions and Endowments Money Lending or Borrowing Rules, 1987Last Updated 4th November, 2019In exercise of the powers conferred by sub-section (1) of Section 153 read with Section 134 of the Andhra Pradesh Charitable and Hindu Religious Institutions and Endowments Act, 1987 (Act No. 30 of 1987) the Governor of Andhra Pradesh hereby makes the following Rules under Sec.134, the same having been previously published as required by sub-section (1) of Section 153 of the said Act.

1. Short title.

- These rules may be called the Andhra Pradesh Charitable and Hindu Religious Institutions and Endowments Money Lending or Borrowing Rules, 1987.

2.

Any moneys belonging to a charitable or religious institution or endowment may be invested:(a)in loans or promissory notes to needy but solvent religious and charitable institutions;(b)in loans floated by the State ortral Government or Undertakings or public utility guaranteed by the State ortral Government.(c)in loans to Public Sector Undertakings and Statutory Corporations, such loans being guaranteed by the State Government;(d)in promissory notes, debentures, stock or other securities of the State ortral Government;(e)in stock or debentures or shares in companies, the

interest wherein shall have been guaranteed by the Central or State Government; (f) in fixed deposits in a Nationalised or Scheduled Bank as defined in the Reserve Bank of India Act, 1934; (g) in the Post Office savings Bank; (h) in National Savings Certificates; (i) in Units issued by the Unit Trust of India; and (j) Housing Development Corporation Limited.

3. The lending or borrowing of money on behalf of the institution referred to in Rule 1 shall be subject to the following conditions, namely.

- (i) the Trustee or the Executive Officer or such other person who is in charge of the administration of the charitable or religious institution or endowment may, with the prior sanction of the competent authority in writing, lend moneys to another institution or endowment or borrow moneys from another institution, endowment or individuals: Provided that borrowing moneys from individuals can be resorted to only in exceptional cases when other avenues have failed and lending to individuals is prohibited. (ii) every application seeking sanction to borrow or permission to lend moneys shall be made to the competent authority and shall contain the following particulars namely. - (a) necessity and urgency for raising a loan lending money; (b) amount of loan required proposed to be lent; (c) from whom it is proposed to borrow to whom it is proposed to lend; (d) financial position of the charitable or religious institution or endowment on the date of application; (e) period by which loan would be repaid recovered; (f) number of instalments and the amount of each instalment; (g) probable income and anticipated expenditure during the intervening period; and (h) purpose for which the loan is sought for. (iii) When the amount is sought to be borrowed from the trustee or an employee of the charitable or religious institution or endowment or from any other individual, his consent in writing to lend the required money shall also be sent; (iv) the competent authority shall, before according sanction to a charitable or religious institution to lend or borrow money, satisfy himself as to its capacity to lend or borrow; (v) the competent authority shall specify the time by which the loan shall be repaid, stipulate the number of instalments, if necessary, and fix the rate of interest, if any, payable on the loan: Provided that, in the case of lending or borrowing of moneys between charitable or religious institution, the competent authority may waive the recovery of interest either in whole or in part; (vi) in all cases of lending or borrowing of moneys promissory notes shall be executed on behalf of or in favour of the trustee or the Executive Officer of the concerned institution.

4. [Substituted by Notification No. G.O.Ms. No. 585, dated 12.8.2004.]

The competent authority to sanction the lending and borrowing of moneys shall be: - (a) The Deputy Commissioner to a limit of Rs. 15,000/- (Rupees fifteen thousand only) in respect of the institutions published under clause (c) of Section 6 of the Act. (b) The Regional Joint Commissioners to a limit of Rs. 25,000/- (Rupees twenty five thousand only) in respect of institutions published under clause (b) and (c) of Section 6 of the Act. (c) The Additional Commissioner to a limit of Rs. 50,000/- (Rupees fifty thousand only) in respect of all the institutions including Mutts. (d) The Commissioner up to a limit of Rs. 1,00,000/- (Rupees one lakh only) in respect of all the institutions. (e) The Government if the amounts of loan exceeds Rs. 1,00,000/- (Rupees one lakh only) Provided that, in respect of the sanction of loan to any of the State Under-takings referred to in sub-rule (b) or the investments under sub-rule (e) of Rule 2, the prior permission of the Government shall be obtained.

Provided further that in addition to the powers assigned to the Regional Joint Commissioners, the following powers are also assigned to them in the interest of speedy and better administration of the Charitable & Hindu religious Institutions and Endowments.(a)The Regional Joint Commissioner should be held responsible for proper collection of contribution due to Common Good Fund by the Executive Authorities of Institutions and Endowments and they shall be competent to exercise the power of review on DCB of Common Good Fund monthly and submit the periodical report to the Commissioner.(b)Inspection of all the Institutions and Endowments published under clause (a) of Section 6 of the Endowments Act, 1987 excepting the Institutions and Endowments where the Executive Officers are in the cadre of Regional Joint Commissioner, Deputy Commissioner.]