

The Punjab Backward Classes (Grant of Loans) Act, 1957

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Act 17 of 1957

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The Punjab Backward Classes (Grant of Loans) Act, 1957 Punjab Act 17 of 1957 Statement of Objects and Reasons - "After completion of the academic or professional careers, persons belonging to Scheduled Castes, Scheduled Tribes and other Backward Classes find it difficult to establish themselves in the professions of law, medicine, engineering and architecture on account of lack of finance. These people hail from economically backward classes and without timely and adequate financial aid from Government by way of loans, for the purchase of books and other equipment, they cannot establish themselves in these professions. There is no law under which such loans can be granted and the Punjab Backward Classes (Grant of Loans) Bill, 1957, is intended to enable Government to grant such loans". Published vide Punjab Government Gazette Extraordinary, dated the 17th May, 1957. An Act to provide for the extension of loan facilities to persons belonging to the Backward Classes in the State of Punjab. Be it enacted by the Legislature of the State of Punjab in the Eighth Year of the Republic of India as follows :-

1. Short title, extent and commencement.

(1) This Act may be called the Punjab Backward Classes (Grant of Loans) Act, 1957. (2) It extends to the whole of the State of Punjab. (3) It shall come into force at once.

2. Definitions.

- In this Act unless the context otherwise requires, - (a) "Backward Classes" means persons belonging to the Scheduled Castes and Scheduled Tribes as notified in the Schedule Castes and Schedule 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 loan has been granted under this Act; (c) "Controlling Authority" means the authority appointed by the Government by notification 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 Government of the State of Punjab;(e)"the loan" means interest-free loan granted by the Government to a borrower;(f)"prescribed" means prescribed by rules made under this Act.

3. Limit of loan.

- The amount of loan which may be granted to a borrower under this Act shall not exceed two thousand rupees.

4. Procedure for sanctioning loans.

(1)Any person belonging to the Backward Classes may submit to the Controlling Authority an application 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 repayment 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 the maximum of two thousand rupees in each case.

5. Security for repayment of loan.

(1)When an application for loan has been sanctioned, the applicant shall execute a bond in the prescribed form undertaking to apply the money lent to the purpose or purposes for which, and to fulfil the conditions 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 the 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.

6. Agreement to be executed by applicant.

- When the application for a loan has been sanctioned the applicant shall execute a bond in the prescribed form undertaking to apply the money to the purpose or purposes for which, and to fulfil the conditions on which, the loan 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 recoverable from him in the prescribed manner.

7. Loan how repayable.

- The loan shall be repayable by the borrower in 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.

8. Inspection and supply of information.

- Any borrower who makes default in the repayment of the loan or any instalments thereof shall be bound -(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 Controlling Authority may require in respect of the purpose or purposes for which the loan was granted or of the manner in which the loan has been or is being utilised.

9. Consequences of failure by borrower to comply with an order made or to furnish information required under section 8.

- If 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 money lent is not being applied 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, notwithstanding anything contained in the bond executed by the borrower, that the loan shall be immediately recoverable and shall give notice of such declaration to the borrower.

10. Appeal.

- 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 Government, and the decision of the Government thereon shall be final.

11. Mode of recovery.

(1)When the loan or an instalment thereof falls due and is not paid on or before the due date, or when the loan has been declared immediately recoverable under section 9, and subject to the order made on appeal under the preceding section, the Controlling Authority may cause to be served on the borrower, a notice calling upon him to pay the sums due within such time and to such officer as may be fixed therein.(2)In the case of default in complying with such notice the sums specified in the notice including costs, if any, incurred by the Government may be realized as arrears of land revenue.

12. Finality of decision of Government.

- The decision of the Government as to whether the conditions laid down in or under any of the provisions of this Act have been satisfied shall be final, and no suit 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.

13. Legal proceeding.

- 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. Powers to make rules.

(1)The Government may make rules consistent with this Act for the carrying out of all or any of its purposes.(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 form of the applications to be made and deeds to be executed in respect of the loans;(ii)the mode in which payment of loans is to be made to borrowers;(iii)the forms of notice to be given or declarations to be made by the Controlling Authority; and(iv)the purposes for which loans may be sanctioned under this Act.