



The Bombay Statutory Fund Act, 1959

Act 71 of 1959

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THE BOMBAY STATUTORY FUNDS ACT, 1959.

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BOMBAY ACT No. LXXI OF 1959.¹

[THE BOMBAY STATUTORY FUNDS ACT, 1959.]

[28th December 1959.]

An Act to provide for the establishment and maintenance of certain Statutory Funds, and for matters connected therewith.

WHEREAS in February 1959, a supplementary grant of a sum of rupees fourteen crores was made by the Bombay Legislative Assembly for the establishment of certain Funds known as Earmarked Funds and Endowment Funds for development activities in the State of Bombay ;

Bom. V of 1959. AND WHEREAS by the Bombay (Supplementary) Appropriation Act, 1959 the said sum was appropriated for the services and purposes "Miscellaneous" under the Head of Accounts "57, Miscellaneous" as expressed in the Schedule to that Act ;

AND WHEREAS in pursuance thereof the Accountant General transferred from the Consolidated Fund of the State of Bombay the said sum of rupees fourteen crores to the credit of the public account of the State ;

AND WHEREAS in August 1959, a supplementary grant of a further sum of rupees one crore was made by the Bombay Legislative Assembly for the establishment of an Earmarked Fund for Co-operative Aid ;

Bom. XL of 1959. AND WHEREAS by the Bombay (Second Supplementary) Appropriation Act, 1959, the said sum of rupees one crore was appropriated for the services and purposes "Miscellaneous" under the Head of Accounts "57, Miscellaneous" as expressed in the Schedule to that Act ;

AND WHEREAS in pursuance thereof the Accountant General transferred from the Consolidated Fund of the State of Bombay the said sum of rupees one crore to the credit of the public account of the State ;

AND WHEREAS it is expedient to establish by law Statutory Funds for the purposes for which the said Earmarked Funds and Endowment Funds were established and to make provision for matters connected therewith ; It is hereby enacted in the Tenth Year of the Republic of India as follows :—

1. (1) This Act may be called the Bombay Statutory Funds Act, 1959.

(2) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint.

2. (1) On the commencement of this Act there shall be established the Statutory Funds specified in Schedule A.

(2) Subject to the provisions of this Act and the rules made thereunder, the Statutory Funds established by sub-section (1) shall be held and maintained on behalf of the Governor of Bombay by the Secretary to the Government of Bombay in the Finance Department.

(3) On the date of the commencement of this Act, the amount standing to the credit of each of the Earmarked and Endowment Funds specified in Schedule B in the public account of the State shall be paid into the corresponding Statutory Fund established under sub-section (1).

¹ For Statement of Objects and Reasons, see *Bombay Government Gazette*, 1959, Part V, page 824.

Purposes for which the Statutory Funds may be applied.

3. (1) From and out of the Statutory Funds established under sub-section (1) of section 2, no sums shall be paid or applied except in the manner and for the purpose and to the extent hereinafter provided.

(2) The amounts standing to the credit of the Statutory Funds may be applied for the same purposes, in the same manner and to the same extent as the grants made to the corresponding Earmarked and Endowment Funds as specified in Schedule B.

Investment and reinvestment of sums to credit of Statutory Funds.

4. The State Government shall, from time to time, invest or reinvest all sums to the credit of the Statutory Funds at serial Nos. 10, 11 and 12 in Schedule A, and may invest or reinvest all or any of the sums to the credit of the other Statutory Funds, in Government Securities as defined in clause (2) of section 2 of the Public Debt Act, 1944, in the name of the Secretary to the Government of Bombay, ^{XVIII} of Finance Department, or such other officer as the State Government may specify in this behalf, 1944.

Interest and instalments.

6. Every loan advanced from any of the Statutory Funds shall bear interest at such rate and shall be made repayable in such instalments and within such period as may be fixed, subject to sub-section (2) of section 3, by the rules made under this Act.

Interest accruing on sums invested or reinvested to form part of Statutory Funds.

6. The interest which may from time to time accrue on sums under section 4 or section 5 shall form part of the respective Statutory Fund.

Power of State Government to make rules.

7. (1) The State Government may, by notification in the *Official Gazette*, make rules for the purpose of carrying into effect the provisions of this Act.

(2) All rules made under this section shall be laid for not less than thirty days before each House of the State Legislature as soon as possible after they are made, and shall be subject to such modifications as the State Legislature may make during the session in which they are so laid, or the session immediately following.

SCHEDULE A.

(See section 2.)

1. Water Supply Fund.
2. Distress Relief Fund.
3. Amenities Fund.
4. Educational Building Fund.
5. Female Employees Building Fund.
6. Building-Land Development Fund (Housing Fund).
7. Underdeveloped Areas Development Fund.
8. Fisheries Development Fund.
9. Co-operative Aid Fund.
10. Medical Research Endowment Fund.
11. Scientific and Industrial Research Endowment Fund.
12. Agricultural Research Endowment Fund.

SCHEDULE B.

(See section 3.)

Serial No.	Name of the Fund.	Amount.	Remarks.
1	2	3	4
		Rs.	
1	Water Supply Fund ..	3,00,00,000	The fund will be utilised for financing water supply schemes in villages and small Municipal Towns having a population of not more than 30,000. Preference will, however, be given to rural areas over urban areas. Long term loans will be given from the fund at 3 per cent. interest and will be repayable over a period of 25 years. The fund will be utilised for giving loan and not grant-in-aid.
2	Fund for relief of distress caused by natural calamities apart from famine.	50,00,000	The fund will be utilised for giving both loans and grants. Relief necessitated on account of famine will not be given out of this fund as there is already a separate fund (Famine Relief Fund) for the purpose.
3	Fund for providing amenities such as playgrounds, parks, gardens, theatres, etc.	50,00,000	Long term loans will be given out of this fund to Municipalities, District Local Boards and Gram Panchayats. The loans will be at a low rate of interest, viz., 3 per cent. and will be repayable over a period of 25 years.
4	Fund for construction of hostels for students, quarters for teaching staff, school or college buildings, etc.	2,00,00,000	Loans will be given from this fund to educational institutions. The loans will bear interest at 3 per cent. and will be repayable over a period of 25 years.
5	Fund for construction of residential quarters for nurses, mid-wives, school mistresses and women social workers in rural and semi-urban areas.	1,00,00,000	Loans bearing 3 per cent. interest and repayable over a period of 25 years will be given out of this fund, to local bodies including Village Panchayats.
6	Housing Fund	2,00,00,000	Loans will be given out of this fund to Co-operative housing societies, Municipalities or Local Boards for developing land for facilitating and encouraging building activities to be undertaken thereon. The loans will bear interest at 3 per cent. and will be repayable over a period of 25 years.
7	Fund for amelioration of the economically underdeveloped areas in the State.	1,50,00,000	The fund is intended for accelerating the pace of development envisaged in the Five-Year Plan and for taking up additional schemes which can yield early results in the economically underdeveloped areas of the State. Loans bearing interest at 3 per cent. and repayable over a period of 25 years will be given from this fund.

SCHEDULE B—contd.

Serial No.	Name of the Fund.	Amount.	Remarks.
1	2	3	4
		Rs.	
8	Fisheries Fund	50,00,000	Loans bearing interest at 3 per cent. and repayable over a period of 25 years will be given from this fund to Fisheries Co-operatives. If any grants are required to be given in addition to loans, the former will be met from departmental provisions and not from this earmarked fund.
9	Co-operative Aid Fund ...	1,00,00,000	The Fund will be utilised for granting long-term loans with interest at 3 per cent. per annum to the Co-operative Processing and Joint Farming Societies which are in need of loan assistance for purchase of land and machinery and construction of buildings. The loan will be repayable in not more than 10 instalments. These loans will be granted after considering carefully that such loans do not compete with Central Financing Agencies and Apex Co-operative Banks or tend to weaken their working in any manner. The fund will be administered by the Finance Department.
10	Medical Research Endowment Fund.	1,00,00,000	The fund will have a credit of Rs. 1 crore and it will be built up by transfer of securities from cash balance investment account. Only the interest receipts accruing from the securities held in this fund will be utilised for financing research schemes, the corpus of the fund remaining intact. The fund will be administered on the lines of the Indian Council of Medical Research.
11	Scientific and Industrial Research Endowment Fund.	1,00,00,000	The fund will have a credit of Rs. 1 crore and it will be built up by transfer of securities from cash balance investment account. Only the interest receipts accruing from the securities held in this fund will be utilised for financing research schemes, the corpus of the fund remaining intact. The fund will be administered on the lines of the Indian Council of Scientific and Industrial Research.
12	Agricultural Research Endowment Fund.	1,00,00,000	The fund will have a credit of Rs. 1 crore and it will be built up by transfer of securities from cash balance investment account. Only the interest receipts accruing from the securities held in this fund will be utilised for financing research schemes, the corpus of the fund remaining intact. The fund will be administered on the lines of the Indian Council of Agricultural Research.