



## The Himachal Pradesh Backward Classes (Grant of Loans) Act, 1969

Act 6 of 1970

**Keyword(s):**

**Backward Classes, Borrower, Controlling Authority, Loan**

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**THE HIMACHAL PRADESH BACKWARD CLASSES  
(GRANT OF LOANS) ACT, 1969**

**ARRANGEMENT OF SECTIONS**

**SECTIONS:**

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**THE HIMACHAL PRADESH BACKWARD CLASSES  
(GRANT OF LOANS) ACT, 1969**

[Act No. 6 of 1970]<sup>1</sup>

(Received the assent of the President of India on the 28th January, 1970, and was published in R.H.P.Extra., dated the 4th April, 1970 at p.294-297).

*Amended, repealed or otherwise affected by,—*

- (i) A.O.1973, published in R.H.P.Extra., dated the 20th January, 1973 at p. 91-112.

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1. For statement of Objects and Reasons, see R. H. P. Extra., dated the 19th September, 1969. p. 850 and for Authoritative Hindi Text see R.H.P. Extra; date 22-11-1986 P.2051-2055.

**An Act to provide for the extension of loan facilities to persons belonging to Backward Classes in the [State]<sup>1</sup> of Himachal Pradesh.**

BE it enacted by the Legislative Assembly of Himachal Pradesh in the Twentieth Year of the Republic of India as follows :—

**1. Short title, extent and commencement.**—(i) This Act may be called the Himachal Pradesh Backward Classes (Grant of Loans) Act, 1969.

(ii) It extends to the whole of the [State]<sup>1</sup> of Himachal Pradesh.

(iii) It shall come into force at once.

**2. Definitions.**—In this Act, unless the context otherwise requires,—

(a) “backward classes” means the Scheduled Castes and the Scheduled Tribes declared as such in relation to the [State]<sup>1</sup> of Himachal Pradesh under articles 341 and 342 respectively of the Constitution and includes all persons each of whose annual gross income calculated in the prescribed manner does not exceed two thousand rupees;

(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<sup>2</sup> appointed by the Government by notification in the Official Gazette to be competent to sanction a loan under the powers conferred by the Act and to take such steps as are necessary for the enforcement of the provisions of this Act;

<sup>3</sup>(d) x x x x x x  
(e) “loan” means interest free loan granted by the Government under this Act;

(f) “prescribed” means prescribed by rules made under this Act.

**3. Limit of loan.**—The amount of loan which may be granted to an individual under this Act shall not exceed two thousand rupees.

**4. Procedure for sanctioning loans.**—(1) Any person belonging to a backward class 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 or purposes for which it is desired and the manner in which the repayment of the loan, if granted to him, is proposed to be made.

(2) The controlling authority if satisfied that the applicant is a person belonging to a backward class, 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. Security for repayment of loans.**—(1) When a loan is sanctioned under sub-section (2) of section 4, the applicant shall execute a bond in the prescribed form,—

(a) undertaking to apply the amount of the loan to the purpose or purposes for which it has been sanctioned;

(b) undertaking to fulfil the conditions on which the loan has been sanctioned; and

1. Subs for “Union territory” by A.O. 1973.

2. Director of welfare Deptt. appointed as “Controlling Authority” *vi de* Note No. 5-5/71—LW (Wel), dated 21-9-1971 (Appended).

3. The definition of “Government” omitted by A.O. 1973.

- (c) agreeing that the amount of the loan shall be recoverable in the prescribed manner if it is not used for such purpose or purposes or if there is any breach of such conditions.

(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 granting or recovering the loan:

Provided that the controlling authority may, in any case, for reasons to be recorded in writing, exempt any applicant from furnishing a surety.

**6. Loan how repayable.**—The loan shall be repayable by the borrower in twenty half-yearly equated instalments:

Provided that the repayment of instalments shall not commence before the expiry of four years from the date of payment of the loan.

**7. Inspection and supply of information.**—A borrower 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.

**8. Consequence of failure by borrower to comply with provisions of section 7.**—If any borrower fails without reasonable cause to comply with any order or to furnish any information as required by section 7, or if the controlling authority after inspection provided for in section 7, or otherwise is satisfied that the 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.

**9. Appeal.**—Within six weeks of the receipt of the notice under section 8 the borrower may appeal against the declaration of the controlling authority under that section to the Government and the decision of the Government thereon shall be final.

**10. Mode of recovery.**—(1) When the loan or any instalment hereof falls due and is not paid on or before the due date, or when the loan has been declared immediately recoverable under section 8 and subject to the order made on appeal under section 9 the controlling authority may cause to be served on the borrower a notice calling upon him to pay the sum due within such time and to such officer as may be specified therein.

(2) In case of default in complying with a notice under sub-section (1) the sums specified in the notice including costs, if any, incurred by the Government may be realised as arrears of land revenue.

**11. 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.

**12. Legal proceedings.**—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.

**12. Power to make rules.**—(1) The Government may, by notification in the Official Gazette, 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 :—

- (a) the manner of calculating the annual gross income of a person for the purpose of grant of loans under this Act;
- (b) the forms of the applications to be made and deeds to be executed in respect of loans;
- (c) the mode in which payment of loans is to be made;
- (d) the forms of notices to be given or declarations to be made by the controlling authority; and
- (e) the purposes for which loans may be sanctioned under this Act.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before the Legislative Assembly while it is in session, for a total period of not less than fourteen days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session in which it is so laid or the sessions aforesaid, the Assembly makes any modification in the rule or decides that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**14. Repeal and savings.**—(1) The Punjab Backward Classes (Grant of Loans) Act, 1957 (17 of 1957) in its application to the territories added to the Union territory of Himachal Pradesh by section 5 of the Punjab Reorganisation Act, 1966 (31 of 1966), is hereby repealed:

Provided that such repeal shall not affect—

- (a) the previous operation of the said Act or anything duly done or suffered thereunder; or
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under the said Act; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said Act; or

1. Rules made *vide* Not. No. 22-4/69 WEL, Sectt., dated the 2nd Feb. 1971 (Appended).

- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if the said Act had not been repealed.

(2) Any loan granted under the Act repealed by sub-section (1) shall be deemed to be a loan granted under this Act and the amount of such loan outstanding at the commencement of this Act shall be recovered under the provisions of this Act and the rules made thereunder.