

GUJARAT DISTRICT DEVELOPMENT FUND RULES, 1964

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SCHEDULE 1 :- SCHEDULE

GUJARAT DISTRICT DEVELOPMENT FUND RULES, 1964

No. KP/178/PRR-51/64-JH-In exercise of the powers conferred by section 323 of the Gujarat Panchayats Act, 1961 (Guj.VI of 1962), the Government of Gujarat hereby makes the following rules, namely,-

1. Short title :-

These rules may be called the Gujarat District Development Fund Rules, 1964.

2. Definitions :-

In these rules, unless the context otherwise requires:-

- (a) "the Act" means the Gujarat Panchayats Act, 1961;
- (b) "financial year" means the year commencing on 1st day of April;
- (c) "Fund" means the District Development Fund established under section 199;

(d) "panchayat" means a gram panchayat or a nagar panchayat, as the case may be;

(e) "public securities" means;-

(i) securities of the Central Government or any State Government.

(ii) securities, stocks, debentures or shares the interest whereupon has been guaranteed by the Central or the State Government.

(iii) debentures or other securities for money issued by or on behalf of any local authority in the State of Gujarat in exercise of the powers conferred by any enactment for the time being in force;

(iv) securities expressly authorised by any order which the State Government may make in this behalf;

(f) "section" means a section of the Act.

3. Contributions :-

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(1).-The panchayat shall contribute every year to the fund a sum equal to the amount calculated at the rate specified in sub-rules (2) on its income realised during the preceding year from all sources including the income in the nature of a grant from the State Government but excluding the following income, namely:-

(i) fund allotted to the panchayat by the District Panchayat under sub-section (3) of section 157,

(ii) a grant or a loan given to the panchayat by the State Government, the District Panchayat or the Taluka Panchayat for any specific purpose or specific work.

(iii) contribution from an institution or a person, or a loan from the fund, to the panchayat for any specific work,

(iv) income from carrying on any industry, trade or business.

(2) The rate of contribution payable for any year under sub-rule (1) shall be as follows:-

(i) for the financial year ending on the 31st day of March, 1968 or any financial year preceding thereto, five percent of the income realised during the preceding year,

(ii) for the financial year commencing on the 1st April, 1968 and every financial year succeeding thereto, the rate specified in

column 2 of the Table appended to this rule, subject to the maximum amount specified in column 3 of the said Table.

(3) Every panchayat shall before the 31st December, of every year deposit with the district panchayat the sum payable by it for the year under sub-rule (1).

1. Substituted by GNP and HD No. KP/1431/PRR/51-4-68-JH, dated 11th November, 1968.

4. Investment of sums not immediately required for granting loans :-

(1) The district panchayat shall, from time to time, invest in any of the public securities all sums to the credit of the fund which may not be immediately required for the purpose of granting loans to panchayat or payment of interest on contributions made by panchayats.

(2) The district panchayat shall deposit all other sums to the credit of the fund in-

(a) a bank to which Government Treasury work is entrusted;

(b) A Co-operative Bank, approved by Government for deposit of local funds within the limits specified for such Bank;

(c) any Scheduled Bank, or with the sanction of the State Government in any other Bank in the State of Gujarat; or

(d) a Post.Office Savings Bank.

Explanation.-For the purposes of this rule "Scheduled Bank" means a Bank included in the Second Schedule to the Reserve Bank of India Act, 1934.

5. Fund to be utilised for granting loans :-

Loans may be granted to a panchayat from the Fund for the purposes of any of the matters mentioned in Schedule 1 to the Act¹[and also for Financing the houses scheme for land less labourers.

² [Proviso deleted

1. Added vide GN PH and UDD No. KP/65/PRR51(6) 82-JH, dated 20th. April, 1982.

2. This proviso deleted by GNPandHD No.KP/555/PRR-51/(1)-JH, dated 7th February, 1966.

6. Manner of payment of interest on Contribution :-

(1) The district panchayat shall in the manner provided in sub-rule (2), pay to every panchayat interest on the amount contributed by it at the rate to be fixed annually on the basis of the interest actually earned during the year, reduced by a ¹[one percent. The interest on the contribution made each year shall be paid after necessary calculation are made but not later than the 30th June. A panchayat may draw the amount of interest in cash allow it to be adjusted against the contribution due from it for that year.

(2) At the end of every financial year, interest shall be credited to the amount of every panchayat as follows:-

(i) Interest for 12 months on the amount to the credit of the panchayat account on the last day of the preceding year,

(ii) in the case of the amount of contribution deposited in the current year, interest on that amount from the date of depositing the amount upto the end of the current year.

Explanation-For purposes of this sub-rule, the date of deposit shall if the amount is deposited with the district panchayat before the fifth day of the month be the first day of the month in which the amount is deposited and if it is deposited after the fifth day of month, be the first day of the next succeeding month.

(3) The amount equivalent to the reduction of interest by ² one percent made under sub-rule (1) shall be credited to the district panchayat against expenses for the working of the fund.

1. Substituted vide GNP and HD No.KP-1431/PRR-51(4) 68-JH, Dt. 11th November, 1968.

2. Substituted by G.N.P.andH.D. No.KP/1431/PRR-51 (4)68-JH,dated 11th November, 1968.

7. District Panchayat to keep accounts of contribution and interest :-

The district panchayat shall keep an amount showing therein separately the amounts of contribution of the panchayat and the amounts of interest there- on added from time to time.

8. Submission of Statement of account in fund etc :-

to every panchayat.-As soon as possible after the close of each financial year the district panchayat shall send to every panchayat a statement of its account in the fund, showing the opening balance as on the 1st April, the amount contributed, and the amount of interest credited, till the 31st March, and the closing

balance as on the 31st march of the financial year.

9. Manner of obtaining loan :-

(1) A panchayat desiring to obtain a loan from the fund shall submit to the district panchayat an application containing the following particulars, namely :-

- (i) the amount of the loan required;
- ii) the purpose for which the loan is required;
- (iii) an estimate of the cost of the entire work or such part of it as is proposed to be carried out with the help of the loan amount;
- (iv) the average annual expenditure on maintenance of work when executed with the help of the loan and how the maintenance charges are to be met;
- (v) the period within which, and the number of instalments in which, the loan is proposed to be repaid;
- (vi) a statement showing the financial position of the panchayat at the end of the previous year;
- (vii) the budget estimates for the current year;
- (viii) a statement showing the surplus amount remaining after deducting the estimated expenditure from the estimated income out of which the loan is proposed to be repaid.

(2) The application made under sub-rule (1) shall be supported by a resolution passed by a majority of the members of the panchayat.

10. Power of District panchayat to grant loans :-

On receipt of an application under rule 9, the district panchayat may after :-

- (i) Scrutinising the application;
- (ii) satisfying itself, as to
 - (a) the utility of the purpose for which the loan is asked for;
 - (b) the existing financial position of the panchayat; and
 - (c) its capacity to repay the loan and
- (iii) Causing such enquiry as it deems fit, grant to the panchayat loan from the fund of an amount not exceeding 75 per cent of the

estimated cost of work for which the loan is required subject to the following limitations, that is to say-

- (a) the amount of the loan is available from the fund;
- (b) the total amount of loans advanced in a year does not exceed three-fourths of the amount to the credit of the fund in that year, exclusive of the interest earned;
- (c) Except with the sanction of the Development Commissioner-
 - (i) the amount of the loan shall not exceed Rs. 150,000 and
 - (ii) the total amount of loan granted to the panchayat shall not exceed twenty ¹times the amount of the annual contribution last paid:

²Provided that in the case of work relating to electrification of agricultural wells for the purposes of irrigation, full amount of the estimated cost of such work may be given as loan :

Provided further that the total amount of the loan advanced in a year, for such purpose shall not exceed fifty percent of the amount to the credit of the fund in that year, exclusive of the interest earned:

¹ Provided further that the loan shall not be granted to the panchayat which has not paid the full amount of contribution payable under rule 3.

1. Substituted vide GNP and HD No.KP/143/PRR-51(4) 68-69-JGH-dt. 11th November 1968.

2. Inserted vide GNP and HD No.KP/1167/PRR-51(3)/67-JH, dated 30th December, 1967.

11. Period of repayment of loan :-

(1) Subject to the provisions of sub-rule (2) and (3) every loan granted under these rules shall be repayable in such suitable yearly instalments which a period not exceeding ten years as may be determined by the District panchayat from the date of the last instalments actually paid. The instalment date for repayment of the loan shall be the 30th September for all loans given during the first year and 31st March for all loans given in the second half of the year :

Provided that for the first year from the date of the payment of the

last instalment of the loan it shall not be necessary to repay the loan:

1 Provided further that a loan granted for Electrification of wells for the purpose of irrigation, shall be repayable in single instalment on the expiry of ten years from the date when loan is granted.

(2) The district panchayat may, for reasons to be recorded in writing, extend the period of repayment of the loan to fifteen years, and if satisfactory reasons are shown suspend the payment or any instalment to wards the repayment of the loan on such terms and conditions as it may think fit.

(3) Nothing in this rule shall be deemed to prevent a panchayat repay, with the approval of the district panchayat, all or any of the instalments of the loan earlier than the due date.

1. Added vide GNP and HD No.KP/71.149/PRR-51(5)/71.JH, dated 21st September, 1971.

12. Rate of interest on loan and on overdue instalments :-

Interest on the loan shall be charged at 5 per cent per annum and it shall be payable at the time of the payment of an instalment of the loan. In case of default by a panchayat in payment on the due date of any instalment (i) of interest or (ii) of principal and interest, or (iii) of any part thereof, as the case may be, interest at the rate of two per cent per annum shall be charged in addition to 5 per cent on the overdue instalments of the loan or interest or of both, as the case may be. The interest shall be payable on the 30th September or 31st March each year for loans advanced in the first or the second half of the year, as the case may be and it shall also be payable when no instalment is payable in respect of the loan amount or where such instalment is suspended.

13. Undertaking by panchayat :-

(1) If the district panchayat decide to grant a loan to a panchayat the panchayat shall execute an undertaking ¹[in the Form prescribed in the Schedule appended to these rules before the amount of loan is disbursed to it. Such undertaking shall on behalf of the panchayat be signed by-

(i) the Upa-Sarpanch or as the case may be the Vice-Chairman and two member authorised by the panchayat at the office of the panchayat in the presence of the Sarpanch or, as the case may be,

the Chairman and the Secretary of the panchayat, and

(ii) the Sarpanch or, as the case may be, the Chairman in the presence of the District Development Officer of the concerned District.

1 (2) The district panchayat may also in its discretion impose additional conditions as regards measures to be taken by the panchayat for

(a) furnishing accounts and for proper utilisation of the loan;

(b) taking steps by way of augmenting income recovering arrears of taxes, exercising economy and taking other measures for improving its financial position;

(c) fixing the level of fees or charges for the service for which a work is undertaken at a level sufficient to yield necessary income to maintain the service and pay the interest and repay the loan.

1. Substituted vide GNP and HD No.KP/143/PRR-51(4) 68-69-JGH-dt. 11th November 1968.

14. Manner of keeping account of loan and interest :-

The account of the loans granted to individual panchayat and of the interest accrued thereon shall be kept in such manner as may be determined by the district panchayat.

15. Panchayat required to make provision in budget estimate for repayment of loan :-

A panchayat obtaining a loan under these rules shall make a provision every year in its budget estimates for the panchayat of instalments of the loan and the interest thereon till the loan is repaid with interest.

SCHEDULE 1

SCHEDULE

(See rule 13) To The District PanchayatDistrict..... We the Sarpanch Upa-Sarpanch/Chairman, Vice-Chairman and the undersigned members of the Gram/Nagar Panchayat..... of the Taluka/ Mahal of the district.....acknowledge the receipt of Rs.....;...on behalf of the Gram/Nagar Panchayat, sanctioned as a loan by the District Panchayat out of the District Development Fund, for the purpose of..... and undertake on behalf of the panchayat to repay the loan of Rs..... in.....instalment with an interest at the rate of five percent per annum subject to the following conditions :- (i) in case of default by the panchayat in payment, on due date, of any instalment (i) of interests or (ii) of principal and interest, or (iii) of any part thereof, as the case may be, interest at the rate of two percent per annum shall be charged in addition to

5 percent on the overdue instalments of the loan or interest or of both as the case may be; (ii) the amount of the loan shall be used for the purpose for which the loan is taken; (iii) if any balance remains out of the amount of the loan after the completion of the work for which the loan is taken, it shall be paid back towards the repayment of the amount of the loan; (ii) the panchayat shall make a provision every year in the budget estimates for the payment of the instalments of the loan and the interest thereon. [2. The above undertaking has been signed by the Upa.Sarpanch/ the Vice Chairman and two member authorised by the panchayat at the office of the panchayat in the presence of the Sarpanch/Chairman and the Secretary of the panchayat and by the Sarpanch/Chairman in the presence of the District Development Officer of District and is binding on the panchayat. Signature *Sarpanch/Chairman. **Upa-Sarpanch/Chairman **Members of the Gram/Nagar Panchayat. District Development Officer, District Panchayat..... District.