
BOMBAY NON-AGRICULTURISTS LOANS RULES, 1928

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BOMBAY NON-AGRICULTURISTS LOANS RULES, 1928

In exercise of the powers conferred by Section 6 of the Bombay Non- Agriculturists' Loans Act, 1928 (Bom. III of 1928), the Government of Bombay hereby makes the following Rules, namely :-

1. Short title :-

These rules may be called the Bombay Non- Agriculturists' Loans Rules, 1958.

2. Interpretation :-

In these rules, unless the context otherwise requires,

(a) "Act" means the Bombay Non- Agriculturists' Loans Act, 1928;

(b) "sanctioned form" means a form approved and sanctioned by the State Government by a general or special order for the purposes of these rules.

3. Power of State Government to sanction remissions :-

The State Government shall have full power to sanction remissions

of principal and interest.

4. Purposes for which loans maybe granted :-

Loans may be granted under the Act for any of the following purposes, namely :-

(a)for erecting, rebuilding or repairing houses;

(b)for building or repairing boats; and

(c)for the relief of distress, to any person to whom a loan under the Non- Agriculturists' Loans Act, 1884, cannot be granted.

5. Loans in certain cases how made :-

Advances in villages where co-operative reconstruction societies exist shall ordinarily to be made through such societies but the Collector may in his discretion grant an advance from the funds at his disposal if in any case owing to exceptional circumstances he thinks it necessary to do so.

6. When loans maybe granted :-

Loans shall ordinarily be refused to persons who have already reconstructed houses either from their own resources or by raising loans from the private money lenders.

Provided that the Collector, or any Assistant or Deputy Collector specially authorised by the Collector in this behalf may, notwithstanding anything contained in this rule, grant loans in special cases, e.g. where the owner has obviously anticipated a loan from the State Government and made temporary arrangements in order to save time.

7. Application :-

(1) An application for loan under the Act shall be presented to any Revenue Officer not below the rank of an Aval Karkun or Naib-Tahsildar.

(2) The application may be made either in writing in the sanctioned application form or orally. If orally made it shall be reduced to writing in the said form by the officer to whom it is made. When the security offered is land extracts from the Record of Rights relating thereto must be attached to the application.

(3) The officer granting the loan shall cause such inquiry, as he thinks fit to be made into the statements made in the application.

8. Authorities by whom loans may be granted :-

Loans may be granted by the authorities mentioned, and to the extent specified against each, in the following table :-

9. Officer granting loans to satisfy himself of security :-

Except as otherwise directed by the State Government no loan shall be granted unless the officer granting the loan is satisfied as to the sufficiency of the security, after allowing for a margin of safety. If a loan is to be granted to a tenant not himself a holder, the tenant's house upon which the money will be spent should be his security and his landlord should guarantee the repayment of loan. If a loan is to be advanced to a non-agriculturists, he should be required to find solvent sureties to sign the sanctioned bond form in addition to the house which should be his security for repayment of the loan.

10. Security and form thereof :-

(1) Moveable property shall not be accepted as security except under the special orders of the State Government. Personal security may be accepted, even that one person, provided that his solvency is certain.

(2) At the time of, or before, the issue of the loan or the first installment of it a mortgage bond shall be executed in the sanctioned form by the applicant and other persons standing as sureties in token that they understand and agree to the conditions contained therein.

(3) In the cases of Hindu joint families the bond shall be signed by the Manager of the joint family on behalf of the family and if possible by all other major members of the family and also by the guardian of the minor members.

(4) In the case of a joint application by several persons for a loan to be taken jointly and severally under a joint bond a bond in the sanctioned form shall be executed at the time of, or before, the issue of the loan or its first installment.

(5) Notwithstanding anything contained in sub-rules (2) or (4), in cases where in the opinion of the Collector it is not possible for the applicant or his sureties to execute a bond for the repayment of the loan under this rule at the time of, or before, the issue of the loan or any installment thereof, the loan or such installment may be paid to the applicant on his agreeing, whenever required by the Collector, to execute a bond in the sanctioned form.

11. Charging of interest on loans :-

Interest shall ordinarily be charged on all loans at the sanctioned rate, but the State Government, on the recommendation of the Commissioner, in the case of any person or class of persons may sanction a reduced rate, or no interest.

12. Period and minimum amount of repayment :-

(1) All loans shall be repayable within a maximum period of twenty years. The minimum annual repayment shall be Rs. 10.

(2) When any installment due by the borrower is not paid on the date fixed for its repayment, the grantor shall recover the unpaid installment together with interest at the rate equal to double the rate of interest fixed in the order of granting the loan subject to a minimum of 8 per cent and 10 per cent per annum from the date of the default until the whole of the amount of the said installment together with interest thereon shall have been paid.

13. Procedure on failure of the borrower :-

The officer granting the loan, if at any time satisfied that a borrower has failed to comply with any of the conditions of the loan-

(a) shall, if the failure appears to be due to the misapplication of the loan, and

(b) may, if the failure is due to any other cause, after recording in writing the grounds of his decision forthwith proceed to recover under the provisions of section 5 of the Act any sum still remaining unpaid by such persons. In the case of misapplication of the loan, interest at 12 per cent per annum may be charged on the whole of the amounts for the time being outstanding from the date of the advancement of the loan.

14. Power of State Government to appoint persons to perform duties of certain officers :-

For the purposes of these rules the State Government may, by general or special order, appoint any person to exercise the powers or to perform the duties of a Commissioner, Collector, Assistant or Deputy Collector, Mamlatdar, or Tahsildar, or Aval Karkun or Naib-Tahsildar.

15. Form of accounts :-

The accounts of all loans shall be kept in such form as the State

Government may from time to time sanction.

16. Repeal :-

The following rules are hereby repealed, namely:-

(a) the Bombay Non- Agriculturists' Loans Rules, 1930, published in the Government of Bombay, Finance Department, Notification No. 6004-E, dated the 1st December 1930.

(b) the Saurashtra Non-Agriculturists' Loans Rules, 1953, published in the Government of Saurashtra, Revenue Department. Notification No. RD/VI/4-C-2, dated the 22nd September 1953.

(c) the Kutch Non-Agriculturists' Loans Rules, 1950 published in the Government of Kutch, Notification No. B-I 52/50, dated the 29th December 1950.