

BOMBAY VILLAGE PANCHAYATS (GRANT OF LOANS BY ZILLA PARISHAD) RULES, 1969

CONTENTS

1. Short title
2. Definitions
3. Manner of obtaining loan
4. Power of Zilla Parishad to grant loans
5. Number of loans that may be granted to a panchayat within the district
6. Period of repayment of loan
7. Rate of interest on loan and on overdue instalments
8. Undertaking by panchayat
9. Manner of keeping account of loan and interest
10. Panchayat required to make provision in budget estimate for repayment of loan

SCHEDULE 1 :- SCHEDULE

BOMBAY VILLAGE PANCHAYATS (GRANT OF LOANS BY ZILLA PARISHAD) RULES, 1969

In exercise of the powers conferred by clause (xlvii) of sub-section (2) of Section 176 read with Section 132 of the Bombay Village Panchayats Act, 1958 (Bom.III of 1959), and of all other powers enabling it in that behalf, the Government of Maharashtra hereby makes the following rules, the same having been previously published as required by sub-section (4) of the said Section 176, namely

1. Short title :-

These rules may be called the BOMBAY VILLAGE PANCHAYATS (GRANT OF LOANS BY ZILLA PARISHAD) RULES, 1969 .

2. Definitions :-

In these rules, unless the context otherwise requires, -

(a) "Act" means the Bombay Village panchayats Act, 1958 ;

(b) "section" means a section of the Act;

(c) "financial year" means the year commencing on the 1st day of April.

3. Manner of obtaining loan :-

(1) A panchayat desiring to obtain a loan from a zilla parishad for any of the purposes of the constitution, shall submit to the parishad an application containing the following information, namely:-ntr

- (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;
- (iv) the average annual expenditure on the maintenance of the 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 for the three financial years immediately before the date of the application;
- (vii) the budget estimates for the current financial 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) No application made by a panchayat for a loan shall be entertained by a Zilla Parishad unless such application is made for any of the purposes of the Act and is supported by a resolution passed by a majority of two-thirds of the members of the panchayat.

4. Power of Zilla Parishad to grant loans :-

(1) On receipt of an application under rules 3, the Zilla Parishad may, after,-

- (i) scrutinizing 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) making such other enquiry as it deems fit for the purpose of considering the application; grant to the panchayat loan out of the provision made in the budget estimates of the zilla parishad of a sum not exceeding the estimated cost of the work on the security of the funds of the panchayat.

(2) No loan exceeding in amount five times the excess of the average revenue receipts over the revenue expenditure based on the three financial years immediately preceding the date of application shall be granted by a Zilla Parishad to a panchayat.

Explanation:- In calculating the average revenue receipts of any financial year for the purposes of this rule, the amounts received by the panchayat by way of loan, deposits or advances shall be excluded from the revenue receipts; but expenditure incurred by the Panchayat on account of repayment of such loans, deposits, or advances shall be included in calculating the revenue expenditure of that year.

5. Number of loans that may be granted to a panchayat within the district :-

Not more than one loan shall be granted in any financial year by a Zilla Parishad to any panchayat within the district for any of the purposes of the Act.

6. Period of repayment of loan :-

(1) Every loan granted under these rules shall be repayable in such suitable yearly instalments within a period not exceeding ten years when they become due as may be determined by the zilla parishad from the date of the actual advance of the loan, or when the loan is advanced in instalments, from the date of the last instalment actually paid, as the Zilla Parishad may fix from time to time:

Provided that, the Zilla Parishad may, for reasons to be recorded in writing, extend the period of repayment of then loan to fifteen years:

Provided further that, nothing in this sub-rule shall prevent a panchayat [* * *] from repaying all or any of the instalments of the loan earlier than the due date.

(2) The Zilla Parishad may, on satisfactory reasons being shown, suspend the [any instalment for the repayment] of the loan on

such terms and conditions as it may think fit:

Provided that, notwithstanding any such suspension, the period of repayment of the loan shall not exceed ten years or where extension of the period of repayment has been granted under the first proviso to sub-rule (1), fifteen years.

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

The Zilla Parishad shall, at the commencement of every financial year, fix the rate of interest that shall be charged on all loans granted by it to the Panchayats during that year:

Provided that if the rate of interest so fixed is altered during any financial year the altered rate shall come into effect from the beginning of the next succeeding year:

Provided further that, such rate of interest shall not exceed the rate at which loans are from time to time granted by the State Government under the Land Improvement Loans Act, 1883].

(2) 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, to the agreed rate of interest on the overdue instalments of the loan or interest or both, as the case may be.

8. Undertaking by panchayat :-

If a Zilla Parishad decides to grant a loan to a panchayat, the officer authorised in writing by the Zilla Parishad shall get an undertaking in the form appended in the Schedule hereto annexed executed on behalf of the panchayat by the Sarpanch [* * *] before the amount is disbursed.

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

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

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

The panchayat shall make provision every year in the budget estimate for the repayment of instalments of the loan and the interest thereon till the loan is repaid with interest.

SCHEDULE 1

SCHEDULE

SCHEDULE

(See rule 8)

To

The Zilla Parishad, _____

District _____

I, the Sarpanch of the Village Panchayat of _____ of Taluka _____ of the District _____ acknowledge the receipt of Rs. _____ (in words) on behalf of the Village

Panchayat, sanctioned as loan by the _____ Zilla Parishad _____ out of the provision made

in its budget estimates for the purpose of _____ and undertake on behalf of the panchayat to

repay the loan of Rs. _____ (in words) in _____ instalments with interest at the

rate of _____ per cent per annum, subject to the following conditions, namely:-

(i) In case of default by the panchayat in payment, on due date of any instalment.

(a) of interest, or (b) of principal and interest, or (c) of any part thereof, as the case may be,

interest at the rate or two per cent per annum shall be charged in addition to _____ per cent on the

overdue instalments of the loan of 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;

(iv) The panchayat shall make a provision every year in the budget estimates for the payment of the instalment of the loan and the interest thereon;

2. The above undertaking has been given and signed in the presence of the officer authorised by the Zilla Parishad and is binding on the panchayat.

(Signature of the Sarpanch)

Date 19

Signature and Designation of the

Officer authorised in writing by the Zilla Parishad