

GOVERNMENT OF PUNJAB
DEPARTMENT OF LEGISLATIVE AFFAIRS

The Punjab Scheduled Castes Land
Development and Finance
Corporation Act, 1970

(Punjab Act No. 9 of 1970)

(As amended up to October, 1980)



THE PUNJAB SCHEDULED CASTES LAND DEVELOPMENT AND FINANCE CORPORATION ACT, 1970

(Punjab Act No. 9 of 1970)

ARRANGEMENT OF SECTIONS

<i>Sections]</i>	<i>Pages</i>
<i>CHAPTER I</i>	
<i>Preliminary</i>	
1. Short title	.. 1
2. Definitions[]	.. 1-2
<i>CHAPTER II</i>	
<i>Incorporation of Punjab Scheduled Castes Land Development and Finance Corporation and its Capital</i>	
3. Establishment of Punjab Scheduled Castes Land Development and Finance Corporation	.. 2
4. Head Office of Corporation	.. 2
5. Authorised Capital	.. 2
<i>CHAPTER III</i>	
<i>Management of the Corporation</i>	
6. Management	.. 3
7. Board of directors	.. 3
8. Term of office	.. 4
9. Disqualification of office of director	.. 4
10. Director not to participate in certain cases	.. 4
11. Removal and resignation	.. 5
12. Meetings	.. 5
13. Executive Director	.. 5-6
14. Defect in appointment not to invalidate acts, etc.	.. 6
15. Officers and other employees of the Corporation	.. 6

CHAPTER IV

Pages

Functions and Funds of the Corporation

16. Functions of Corporation	..	6-7
16-A. Capital of the Corporation	..	7
17. Corporation to maintain four funds	..	7
18. Land Development and Finance Fund	..	8
19. Guarantee Fund	..	8
20. Bad Debts Fund	..	8
21. Relief and Common Good Fund	..	8

CHAPTER V

Loans

22. Power to impose conditions for loans	..	8
23. Power to call repayment before agreed period	..	8
24. Recovery of money due to the Corporation	..	9
25. First charge of Corporation's loans on debtor's property	..	9

CHAPTER VI

Accounts and Audit

26. Accounts	..	9
27. Audit	..	9-10

CHAPTER VII

Miscellaneous

28. Dissolution of Board	..	10
29. Consequences of dissolution of the Board	..	10-11
30. Bar of jurisdiction	..	11
31. Protection of action taken in good faith	..	11
32. Indemnity of directors	..	11
33. Exemption from registration fee and stamp duty	..	11
34. Power to make regulations	..	11-12
35. Power to make rules	..	11-12

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(Punjab Act No. 9 of 1970)

[Received the assent of the Governor of Punjab on the 16th September, 1970, and first published in the *Punjab Government Gazette (Extraordinary)*, Legislative Supplement, Part I, of the 16th September, 1970.]

AN ACT

*to provide for the establishment of the Punjab Scheduled Castes Land
Development and Finance Corporation.*

BE it enacted by the Legislature of the State of Punjab in the Twenty-first Year of the Republic of India as follows :—

CHAPTER I

PRELIMINARY

1. This Act may be called the Punjab Scheduled Castes Land Development and Finance Corporation Act, 1970.

2. In this Act, unless there is anything repugnant in the subject or Definitions context,—

(a) “agricultural development” includes development of dairy, poultry, piggery, sheep and cattle breeding, pisciculture and sericulture ;

(b) “Board” means the Board of directors of the Corporation ;

(c) “Chairman” means the Chairman of the Corporation ;

(d) “Corporation” means the Punjab Scheduled Castes Land Development and Finance Corporation ;

(e) “director” means a director of the Board and includes the Chairman ;

(f) “Governor” means the Governor of the State of Punjab ;

(g) “marketing” means all activities relating to the transport, grading, pooling, marketing and sale of agricultural or industrial produce, whether in the primary form or in semi-processed or processed form ;

(h) “prescribed” means prescribed by rules made under the Act ;

¹For Statement of Objects and Reasons, see PUNJAB GOVERNMENT GAZETTE (EXTRAORDINARY), 1970, page 782.

- (i) "processing" means all activities relating to the processing of agricultural produce so as to make it marketable or fit for consumption and includes purchase and storage of raw-material, purchase of equipment, and purchase, installation and running of machinery, required for processing and storage of finished produce ;
- (j) "Scheduled Castes" means such castes, races or tribes or parts of or groups within such castes, races or tribes as are deemed under article 341 of the Constitution of India to be Scheduled Castes ;
- (k) "Scheduled Castes Organisation" means a firm registered under the Partnership Act, 1932, an association registered under the Societies Registration Act, 1860, or a co-operative society registered under the Punjab Co-operative Societies Act, 1961, all the partners or members, whereof, as the case may be, belong to Scheduled Castes ;
- (l) "small-scale industry" means all cottage and small-scale industry including industry engaged in fabrication, repairs and maintenance of agricultural machinery and equipment, in which capital investment does not exceed five lacs of rupees ; and
- (m) "supply and storage" means supply and storage of agricultural inputs and establishment, maintenance and running of storages, cold storages and warehouses.

CHAPTER II

INCORPORATION OF PUNJAB SCHEDULED CASTES LAND DEVELOPMENT AND FINANCE CORPORATION AND ITS CAPITAL

Establishment of Punjab Scheduled Castes Land Development and Finance Corporation.

3. (1) With effect from such date as the State Government may, by notification, specify in this behalf, the State Government may establish for the purpose of this Act a Corporation known as the Punjab Scheduled Castes Land Development and Finance Corporation.

(2) The Corporation shall be a body corporate with the name aforesaid having perpetual succession and a common seal with powers, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and may, by that name, sue or be sued.

Head office of Corporation.

4. (1) The head office of the Corporation shall be at Chandigarh or at such other place as the State Government may, by notification, specify.

(2) The Corporation may establish offices or agencies at such places within or outside the State as it may think fit.

Authorised capital.

5. The authorised capital of the Corporation shall be such sum not less than ten crores of rupees as the State Government may fix.]

CHAPTER III

MANAGEMENT OF THE CORPORATION

6. (1) The general superintendence, direction and management of the Management.
affairs and business of the Corporation shall vest in a Board of Directors which
may exercise all such powers and do all such acts and things as may be exer-
cised or done by the Corporation under this Act.

(2) The Board of Directors in discharging its functions shall act on sound
business principles having regard to public interest, welfare of Scheduled Castes
and solvency of the Corporation and shall be guided by such instructions on
questions of policy as may be given to it by the State Government.

(3) If any doubt arises as to whether a question is or is not a question of
policy the decision of the State Government thereon shall be final.

7. [(1) The Board of Directors shall consist of an Executive Director Board of Directors.
and the following other directors, namely :—

- (a) The Secretary to Government of Punjab in the Department of
Welfare or an officer of that Department not below the rank of
Deputy Secretary to Government of Punjab or Joint Director
nominated by him, *ex-officio* ;
- (b) The Secretary to Government of Punjab in the Department of
Finance or an officer of that Department not below the rank
of Deputy Secretary to Government of Punjab or Joint Director
nominated by him, *ex-officio* ;
- (c) The Secretary to Government of Punjab in the Department of
Agriculture or an officer of that Department not below the rank
of Deputy Secretary to Government of Punjab or Joint Director
nominated by him, *ex-officio* ;
- (d) The Secretary to Government of Punjab in the Department of
Industries or an officer of that Department not below the rank of
Deputy Secretary to Government of Punjab or Joint Director
nominated by him, *ex-officio* ;
- (e) An officer from the Ministry of Home Affairs, Government of
India nominated by that Government, *ex-officio* ;
- (f) Five other directors, belonging to the Scheduled Castes, to be
nominated by the State Government from amongst persons who
have knowledge of agriculture, agro-industries, water develop-
ment projects, finance or co-operation or who are social workers.]

(2) The Governor shall appoint one of the directors as Chairman.

(3) On the occurrence of any vacancy in the office of a director due to
death, resignation or otherwise the same shall be filled up by the Governor
in the manner provided in sub-section (1).

2. In the Punjab Scheduled Castes Land Development
and Finance Corporation Act, 1970, in Section 7, in sub-section

(1) for clause (e), the following clause shall be substituted
namely :—

"(e) Two Officers of the Government of India
nominated by that Government, *ex-officio*."

Amendment of Section
7 of Punjab Act 9 of
1970.

(4) Subject to the provisions of this Act, the terms and conditions of appointment of the directors and the fees and allowances payable to them, shall be such as may be prescribed.

Term of office.

¹[8. The term of office of the directors other than the Executive Director and the *ex-officio* directors shall be one year and they shall be eligible for reappointment:

Provided that the Executive Director may be removed by the Government at any time notwithstanding anything contained in section 11.]

Disqualification of office of director.

9. A person shall be disqualified for being nominated as and for being, a director of the Corporation—

- (a) if he is, or at any time has been adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors;
- (b) if he is of unsound mind and stands so declared by a competent court;
- (c) if he is or has been convicted of any offence which in the opinion of the State Government involves moral turpitude; or
- (d) if he has been removed or dismissed from the service of any State Government or Central Government or a Corporation owned or controlled by any State Government or Central Government.

Director not to participate in certain cases.

10. A director who has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Board or a Committee thereof shall, as soon as possible, after the relevant circumstances have come to his knowledge disclose the nature of his interest at such meeting and the disclosure shall be recorded in the minutes of the Board or the Committee, as the case may be, and the director shall not take any part in any deliberation or decision of the Board or the Committee with respect to that matter.

¹Substituted by Punjab Act No. 16 of 1979, Section 4.

Section 10 of the Punjab Act No. 16 of 1979 reads as follows :—

New term of office to apply to existing directors also

“For the removal of doubts it is hereby declared that the term of office of the directors laid down in the principal Act, as amended by this Act, shall also apply to each director, other than the Executive Director and the *ex-officio* director, holding office on the date of commencement of this Act, and accordingly any director holding office as such on the date of commencement of this Act shall, —

- (i) if the term of office of one year in his case expires or has expired on or before such commencement, cease to hold his office on such commencement; and
- (ii) if the term of office of one year in his case expires after such commencement, cease to hold his office on the expiry of the aforesaid term.”

11. (1) The Governor may at any time remove any director from office, Removal and resignation.
if in his opinion such director—

- (a) is or has become subject to any disqualification mentioned in section 9 ;
- (b) is absent without leave of the Board from more than three consecutive meetings thereof without cause sufficient, in the opinion of the Board to exonerate his absence ;
- (c) has acted in contravention of the provisions of section 10 ; or
- (d) has been guilty of misconduct in the discharge of his duties :

Provided that no order of removal shall be passed without giving the director a reasonable opportunity of showing cause against the proposed order.

¹[1-A. If the Board fails to carry out its functions, or refuses or fails to follow the instructions given to it by the State Government, for the purpose of giving effect to the provisions of this Act, the State Government may remove the non-official directors including the Chairman and appoint other directors and the Chairman in their places.]

(2) A director may resign his office by giving notice thereof in writing to the State Government and on such resignation being accepted he shall be deemed to have vacated his office.

12. (1) The Board shall meet at such times and places and shall observe Meetings.
such rules or procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Corporation under this Act.

(2) The Chairman of the Board or if for any reason he is unable to attend any meeting any other director elected by the directors present at the meeting, shall preside at the meeting.

(3) All questions which come up before any meeting of the Board shall be decided by a majority of the votes of directors present and voting, and, in the event of an equality of votes, the Chairman, or in his absence, the person presiding, shall have and exercise a second or casting vote.

13. ²[(1) The Governor shall appoint an officer of the State Government Executive Director.
as Executive Director who shall hold that office during his pleasure.]

(2) The Executive Director who shall be a whole-time officer of the Corporation shall—

- (a) be its Chief Executive Officer ;
- (b) be responsible for the operational management of the Corporation and implementation of the general policies approved by the Board ;

¹Added by Punjab Act No. 16 of 1979, Section 5.

²Added by Punjab Act No. 16 of 1979, Section 6.

(c) perform such duties as the Board may, by regulations or otherwise assign to him ;

(d) receive such salary and allowances and be governed by such terms and conditions of service as may be determined by the Board and approved by the State Government.

(3) If the Executive Director is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his appointment, the Governor may appoint another person to act in his place during his absence.

Defect in appointment not to invalidate acts, etc.

14. (1) No act or proceeding of the Board or any of its Committees shall be questioned or be invalid on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Board or the Committee as the case may be.

(2) No act done by any person acting in good faith as a director or member of any Committee shall be deemed to be invalid merely on the ground that he was disqualified to be a director or member or there was any other defect in his nomination.

Officers and other employees of the Corporation.

15. (1) The Board may appoint such officers and employees as it considers necessary for the efficient performance of the functions of the Corporation and determine by regulations or otherwise their conditions of appointment and service and the remuneration payable to them.

(2) The Board may, by general or special order, delegate to the Executive Director or to any other officer or employee of the Corporation, subject to such conditions and limitations, if any, as may be specified, such of its powers and duties under this Act, except the power to make regulations, as it may deem necessary.

CHAPTER IV

FUNCTIONS AND FUNDS OF THE CORPORATION

Functions of Corporation.

16. (1) Subject to the provisions of this Act, it shall be the primary duty of the Corporation to undertake the task of economic uplift of the members of the Scheduled Castes in the State.

(2) Without prejudice to the generality of the foregoing provision, such power shall include the power—

(i) to plan, promote and undertake, on its own or in collaboration with or through such Scheduled Castes Organisations or other agencies as may be approved by the Board, programmes of agricultural development marketing, processing, supply and storage of agricultural produce, small-scale industry, building construction, transport and such other business, trade or activity as may be approved in this behalf by the State Government ;

(ii) to provide financial assistance to members of Scheduled Castes or Scheduled Castes Organisations by advancing to them in cash or in kind loans including loans under hire-purchase system

for any of the purposes specified in clause (i) either directly or through such agency, organisation or institution as may be approved by the Board ;

- (iii) to give on hire agricultural or industrial machinery or equipment to the members of Scheduled Castes or Scheduled Castes Organisations ;
- (iv) to give grants and subsidies to, and to guarantee loans taken by, the members of Scheduled Castes or Scheduled Castes Organisations ;
- (v) to borrow money subject to such conditions as the Board may specify ;
- (vi) to receive gifts, grants and donations ;
- (vii) to issue bonds and debentures ;
- (viii) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, bills, warrants, debentures and other negotiable instruments ;
- (ix) to invest or deposit surplus funds of the Corporation in Government securities or in such other manner as the Board may decide ;
- (x) to enter into contracts ; and
- (xi) to discharge such other functions as may be prescribed or as are supplemental, incidental or consequential to any of the functions conferred on it under this Act.

16-A. For the purpose of carrying out its functions under this Act, Capital of the Corporation may—
the Corporation.

- (a) be provided with capital by the State Government on such terms and conditions consistent with the provisions of this Act as the State Government may specify ; and
- (b) be provided with capital by the Central Government on such terms and conditions consistent with the provisions of this Act as that Government may specify.]

17. The Corporation shall establish and maintain four separate Funds Corporation to maintain four funds.
namely—

- (a) Land Development and Finance Fund ;
- (b) Guarantee Fund ;
- (c) Bad Debts Funds : and
- (d) Relief and Common Good Fund.

Land Development and Finance Fund. 18. (1) To the Land Development and Finance Fund shall be credited all amounts that are received by the Corporation from any source whatsoever.

(2) All amounts that are expended by the Corporation shall be debited to this Fund.

Guarantee Fund. 19. (1) To the Guarantee Fund shall be credited every year such sum as may be placed at the disposal of the Corporation for that purpose by the State Government and the interest accrued from time to time on such sum shall also be added every year to this Fund.

(2) The Corporation may also contribute to this Fund such portion of its net profits as may be decided by the Board.

Bad Debts Fund. 20. To the Bad Debts Fund shall be credited every year—

- (a) by the Corporation ten per centum of its net profits ; and
- (b) by the State Government such amount as grant as may be equivalent to the amount credited under clause (a) :

Provided that nothing herein shall be deemed to debar the State Government from giving such amount by way of additional grant for being credited to this Fund as it may think fit.

Relief and Common Good Fund. 21. To the Relief and Common Good Fund shall be credited every year such amount not exceeding seven and a half per centum of the net profits of the Corporation as the Board may decide.

CHAPTER V LOANS

Power to impose conditions for loans. 22. In making any loan authorised by this Act, the Corporation may impose such conditions as it may think necessary or expedient for protecting the interests of the Corporation :

Provided that the rate of interest chargeable on such loans shall in no case exceed the rate of interest chargeable on the loans advanced under the Punjab State Aid to Industries Act, 1935.

Power to call repayment before agreed period. 23. Notwithstanding anything to the contrary contained in any agreement, the Corporation may, by notice in writing, require any debtor to discharge forthwith in full his liabilities to the Corporation—

- (a) if it appears to the Board that any false or misleading information or particular was given in the application for loan ;
- (b) if the debtor has failed to comply with any of the terms of the agreement entered into by him with the Corporation ;
- (c) if there is a reasonable apprehension that the debtor is unable to pay the money due from him ; or
- (d) if for any other reason it is necessary to do so to protect the interests of the Corporation.

24. (1) Where any amount is due to the Corporation from any person, including the surety of a debtor, in respect of loans or advances or other financial accommodation granted by it, such amount shall, on a certificate being granted by the Executive Director in the prescribed form, be recoverable as arrears of land revenue by the Collector of the district in which the person from whom the amount is due resides or carries on business or owns any property. Recovery of money due to the Corporation.

(2) Before issuing the certificate referred to in sub-section (1) the Executive Director shall make an application to such officer, unconnected with the business of the Corporation, as may be empowered by the State Government in this behalf and that officer shall by an order determine the amount due to the Corporation after giving an opportunity of being heard to the person concerned and communicate the same to the Executive Director.

(3) An appeal against an order passed by the officer empowered by the State Government under sub-section (2) shall lie within such period and to such authority as may be prescribed.

(4) The officer empowered under sub-section (2) and the appellate authority shall follow such procedure as may be prescribed.

(5) The certificate issued by the Executive Director under sub-section (1) shall be final and conclusive and shall not be called in question before any authority or court.

(6) For the purpose of recovering any amount due to the Corporation in respect of a loan it shall not be necessary to proceed against the principal before proceeding against his surety.

25. Notwithstanding anything contained in any law for the time being in force, but subject to the provisions relating to priority of charges in any law made by Parliament and to any prior claim of the Government in respect of land revenue or any money recoverable by it as arrears of land revenue, a loan advanced by the Corporation under this Act together with interest accrued thereon and costs of its recovery, shall be first charge on the property of the debtor. First charge of Corporation's loans on debtor's property.

CHAPTER VI ACCOUNTS AND AUDIT

26. (1) The balance-sheet and accounts including the profit and loss account of the Corporation shall be prepared and maintained in such form and manner as may be prescribed. Accounts.

(2) The Board shall cause the books and accounts of the Corporation to be balanced and closed on the thirty-first day of March each year.

27. ¹[(1) The accounts of the Corporation shall be audited by the Accountant-General, Punjab, or by such person as may be authorised by him in this behalf and the expenditure incurred by him in connection with such audit and preparation of the audit report shall be payable by the Corporation to the Accountant-General, Punjab. Audit.

¹Substituted by Punjab Act No. 16 of 1979, Section 8.