

Law officer

THE PUNJAB BACKWARD CLASSES LAND DEVELOPMENT AND FINANCE CORPORATION, CHANDIGARH

Subject :— "GUARANTEE FUND"

In exercise of the powers conferred by sub-section (i) of section 34 read with section 17 of the Punjab Backward Classes Land Development and Finance Corporation Act, 1976 and with the prior approval of the State Government, the Board of Directors make the following Regulations:—

1. **Short Title.**—These Regulations shall be called "The Punjab Backward Classes Land Development and Finance Corporation" Guarantee Fund Regulations, 1978.
2. **Commencement.**—These Regulations shall come into force at once.
3. **Definitions.**—In these Regulations unless there is anything repugnant in the subject or on ext.—
 - (a) 'Act' means the Punjab Backward Classes Land Development and Finance Corporation Act, 1976.
 - (b) 'Corporation' means the Punjab Backward Classes Land Development and Finance Corporation established under section 3 of the Act.
 - (c) 'Fund' means the Backward Classes Land Development and Finance Corporation Guarantee Fund.
 - (d) 'Board' means the Board of Directors of the Corporation.
 - (e) 'Chairman' means the Chairman of the Corporation.
 - (f) 'Executive Director' means the Executive Director of the Corporation.
 - (g) 'Government' means the Government of Punjab.
 - (h) Backward Classes Backward Classes Organisations words have the same meaning as defined in section 2 (b) and (c) of the Act.
 - (i) Words and expressions used in these Regulations which are not defined shall be as prescribed in the Act.
 - (j) 'Year' means the financial year beginning 1st April and ending 31st March next.
4. **Administration.**—The fund shall be maintained by the Corporation and administered by the Chairman and the Executive Director.
5. **Credit.**—(i) 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 deposited every year in this fund.

(ii) The Corporation may also contribute to this fund such portion of its net profits as may be decided by the Board as provided in section 19 of the Act.
6. **Purpose of the Fund.**—The Corporation stands guarantee on behalf of the loanee whose immovable property equivalent to the amount of guarantee is mortgaged in favour of the Corporation. When the guarantee is invoked and payment is made to discharge the obligation it will be treated as a loan to the loanee. If the loanee fails to repay the amount either to the Corporation or to financial institution to whom guarantee is given, the Corporation is empowered under sections 24 and 25 of the Act to recover the loan amount as arrears of Land Revenue through the concerned District Collector. In case, the loan has become irrecoverable after exhausting all channels of effecting recovery, the loan is to be written off by debiting the amount along with interest to the 'Guarantee Fund'.

7. **Competence.**—The Chairman and Executive Director shall be competent to order execution of Guarantee bond in respect of the loans to be raised in accordance with Regulation 6 to the following extent:—

(i) Executive Director with the approval of the Chairman upto 2 lacs.

(ii) Board of Directors.—Full Powers.

8. **Board's power to change Regulations.**—The Board with the prior approval of Government shall have power to make, from time to time, such additions, deletions, alterations or amendments in these Regulations, as it may deem fit and relax any of the provisions contained therein, provided these are not inconsistent with any provision of the Act.