

GOVERNMENT OF RAJASTHAN

INDUSTRIES DEPARTMENT.

NOTIFICATION

No. F. 3 (16) Ind (A)/59

dated 30th January, 1961

Government of Rajasthan is pleased to make and publish the following rules for the information of all concerned regarding establishment of Industrial Estates by the Private Agencies in Rajasthan, Namely

1. Title :

These rules may be called the Rajasthan Industrial Estates (Assisted Estates) Rules, 1961.

2. Commencement and Extent :

These rules shall come into force on the date of their publication in the official Gazette and shall apply to the whole of the State of Rajasthan.

3. Definitions :

In these rules,

- (i) "Government" means the Government of Rajasthan.
- (ii) "Director" means the Director of Industries and Supplies, Rajasthan, Jaipur.
- (iii) "Private Agency" means a Joint Stock Co. registered under the Indian Companies Act, 1956, or a Cooperative Society formed under the Rajasthan Cooperative Societies Act, 1956, with the object of promoting an Assisted Industrial Estate.
- (v) "Bank" means a scheduled Bank in the case of a Joint Stock Company and a Cooperative Bank in the case of Cooperative Society.
- (v) "Assisted Estates" means an Industrial Estate set up or to be set up by a private agency with the object of constructing and letting out the sheds built by it in the Estate to its members or the shareholders as the case may be for starting any of the small scale industries approved by the Director.
- (vi) "Members" means a member of a Cooperative Society or a shareholder of a Joint Stock Company registered under the Indian Companies Act, 1956 forming a Private Agency.

4. Membership of a Private Agency :

The minimum number of members of a Private Agency setting up Assisted Industrial Estate shall be 10.

5. Allotment of Land etc.

The Government may assist a Private Agency in acquiring suitable land if necessary or may allot Government land on lease, if available in accordance with the terms and conditions of the Notification No. F. 5 (199) LSG(A)/59 dated 31st Dec. 59.

The Government shall also arrange supply of power and water, the responsibility being limited to laying main lines only. The Private Agency shall be responsible for the development of the area including laying of main roads, sanitary fittings, or other common facilities etc. according to the plan approved by the Government.

6. Assistance to Private Agency :

The Government shall assist a private agency by standing guarantee for the loan to be raised by the private agency from a Bank. The terms on which the State Government will agree to give guarantee shall be as under :—

- (i) The private agency shall raise by way of share capital 1/6th of the total amount needed, if it happens to be Cooperative Society and 1/4th in case of a Joint Stock Co. Balance shall be raised as loan from a Bank by the Private Agency against the Government guarantee at the rate of interest mutually agreed upon.
- (ii) The loan shall be paid by the Bank in 3 equal instalments as given below on receipt of an authority from the Collector of the District concerned in which the Estate is to be constructed in case of a Joint Stock Co. and from the Registrar, Cooperative Societies, Rajasthan, in case of a Cooperative Society ;
 - (a) first instalment on reaching plinth level ;
 - (b) second instalment on reaching roof level; and
 - (c) last instalment on completion of construction and rendering of audited accounts.
- (iii) The amount of loans so raised shall be utilised for construction and development of the Estate and for no other purpose.
- (iv) The repayment of loans shall start 2 years after the date of the receipt of the last instalment of loan by the private agency from the Bank. The

entire amount shall be repaid in 7 equated annual instalments of principal and interest thereafter. The Government may, in hard cases, extend the period of repayment by three years in all for reason to be recorded subject to the condition that each extension shall not exceed one year at a time.

- (v) The State Government shall also obtain counter-guarantees of the individual members in the Estate for the full amount of the loan guaranteed by the State Government and secured to the extent of the holdings of each member in the share capital of the private agency and also by a second charge on the assets in form of buildings and land, as the case may be, mortgaged in favour of the Bank and such other security as may be available.
- (vi) The Government shall have a right to appoint if necessary one Director on the Board of Directors of a Private Agency in case of a Joint Stock Co. and in case of a Cooperative Society the Director of Industries or his nominee shall have a right to participate in the meetings of the Executive Committee of the Cooperative Society.
- (vii) The Private Agency shall submit to the Director of Industries, its audited statements of accounts every year or such other periodical statements or returns as may be required by the Director of Industries. The Director of Industries or his nominee shall have a right to inspect the accounts of a private agency at any time.

7. Constructing and Functioning of Estate :

The Private Agency shall construct the sheds according to the plans to be approved by the Government for putting up such small scale industries as may be technically approved by the Director. The sheds shall be constructed and production started within two years from the date the Bank Guarantee is given under rule 6 above.

8. Alienation, Subletting or Transfer :

The Private Agency or any of its members shall not sublet, mortgage, sell or in any other way alienate the land or the sheds constructed thereon without the permission of the Government.

8. Assistance to Members :

The members of the Private Agency who set up industries in the Estate will be eligible for grant of loans under the State Aid to Small Scale & Cottage Industries, Rules, 1959 and other assistance and facilities available to the allottees of the Government owned Estates.

By Order of the Governor.

Sd/-

A. K. Roy,

Secretary to Government

Terms of Grant of Loan by the Life Insurance Corporation of India for Construction of Industrial Estates.

I. Extent of loan that can be granted :

(A) Joint Stock Companies :

- i) Loan by Life Insurance Corporation 60% of the total cost of the Estate.
- ii) Loan by the State Government : 7% of the total cost of the Estate.
- iii) Share capital to be raised by the Company : 33% of the total cost of the Estate.

(B) Cooperative Societies :

- i) Loan by the Life Insurance Corporation : 60% of the total cost of the Estate.
- ii) Loan by the State Government : 20% of the total cost of the Estate.
- iii) Share capital to be raised by the Society : 20% of the total cost of the Estate.

Note :—In lieu of loan by State Government (ii) above the Government can also by shares of the Society, subject to the following conditions :—

- a) The shares purchased by the Government do not exceed those subscribed by the members.
- b) The shares are made redeemable in five annual instalments beginning from the end of the 16th year of their purchase.
- c) No share capital loans are advanced to members of the Society.

II. Repayment of Loans :—

The loan will be repayable by not more than 13 equal instalments of principal, the first instalment to be paid on the expiry of 2 years from the date on which the first instalment of the loan is drawn and the last not later than the end of fifteen years.

III. Interest :

The rate of interest which the Corporation will charge on the loan will be fixed by the negotiations in each case.