

MAHARASHTRA STATE-AID TO INDUSTRIES ACT, 1960

' of

[7th October, 1960]

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MAHARASHTRA STATE-AID TO INDUSTRIES ACT, 1960

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An Act to regulate grant of loans to Small Scale and Cottage Industries in the State of Maharashtra and for the purposes connected therewith. WHEREAS it is necessary and expedient to regulate grant of loans to Small Scale and Cottage Industries in the State of Maharashtra and for the purposes connected therewith; It is hereby enacted in the Eleventh Year of the Republic of India as follows:-

1. Short title, extent and commencement :-

(1) This Act may be called the MAHARASHTRA STATE-AID TO INDUSTRIES ACT, 1960 .

(2) It extends to the whole of the State of Maharashtra.

(3) It shall come into force on such date] as the State Government may, by notification in the Official Gazette, appoint.

2. Definitions :-

In this Act unless the context requires otherwise,-

(a) "borrower" means a person who has received a loan under this

Act and which has not been repaid in full;

(b) "cottage industry" means an industry prescribed by rule made by the State Government, regard being had in particular to the fact that such industry is carried on by an artisan in or near his home, and the capital of which does not exceed Rs. 25,000 (or such other sum as the State Government may from time to time in such rules denote); For Statement of Objects and Reasons, see Bombay Government Gazette, 1960, Part. V, p. 70. "3. Nothing contained in this Act shall affect the terms or conditions of any loan granted to any person under the Maharashtra State-Aid to Industries Act, 1960 , before the commencement of this Act." Mah. XVII of 1960 before the commencement of this Act.

(c) "industry" means the manufacture, preservation or processing of goods, or any handicraft or industrial business of enterprise, carried on by any person;

(d) "loan" means a loan granted under this Act;

(e) "small scale industry" means an industry which has a capital investment in plant and machinery of not more than rupees seven hundred and fifty thousand, irrespective of the number of persons employer therein.

Explanation - The value of the plant and machinery for ascertaining the capital investment shall be the price paid by the borrower of such plant and machinery.

3. Power of State Government to grant loans to village and small-scale industries :-

For the purpose of encouraging the economic development of the State in general, subject to such rules as may be made under section 7, loans may be granted under this Act, by such officers of the State Government as the State Government may empower in this behalf, to small scale and cottage industries.

4. Application for loans :-

(1) Any person desiring to obtain a loan under section 3 for any cottage industry or small scale industry, shall make an application addressed to the officer empowered under that section in such forms, and containing such particulars, as may be prescribed.

(2) The officer, on receiving an application under sub-section (1) may, after making such inquiries as he thinks fit, but subject to any

rules made under section 7, grant the loan applied for.

5. Repayment of loan :-

Every loan shall be repayable by installments (in the form of annuity or otherwise) together with interest (including penal interest) if any, at such rate or rates and within such period from the date of actual advance of the loan, as may, from time to time, be prescribed by rules made under section 7:

Provided that, nothing in this section shall prevent the borrower from repaying all or any of the installments of the loan at any time earlier than the due date.

6. Recovery of loans :-

(1) Subject to any rules made under section 7, all loans, all interest (including penal interest) chargeable thereon, and costs incurred in making or recovering the same, shall be recoverable when they become due, by the Collector, or such officer as the State Government may authorise in this behalf, on receipt of the intimation from the authority sanctioning the loan, in one or more of the following modes, namely:-

(a) from the borrower, as if they were arrear of land revenue due by him;

(b) from his surety, if any, as if they were arrear of land revenue due by him;

(c) out of the assets created out of the amount of loan advanced, according to the procedure for realisation of land revenue by the sale of such assets;

(d) out of the property comprised in the collateral security (if any) according to the procedure for realisation of land revenue by the sale of such property.

(2) Where any sum due on account of any such loan, interest or costs is paid to the Collector by a surety or an owner of property comprised in the collateral security, or is recovered under sub-section (1) by the Collector from a surety or out of any such property, the Collector shall, on the application of the surety or owner of that property, as the case may be, recover that sum on his behalf from the borrower or out of the assets of the industry for the benefits of which the loan was granted in the manner provided by sub-section (1).

7. Power to make rules :-

(1) The State Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for.-

(a) the manner of making applications for loan, the form of application and particulars of the form under sub-section (1), and the manner of conducting inquiries relating to such applications under sub-section (2), of section 4;

(b) the nature and extent of security to be taken for the due application and repayment of money, the rate of interest at which and the conditions under which loans may be granted, and the manner and time of granting loans:

(c) inspection of works for which loans are granted;

(d) the installment by which and the mode in which, the loans, the rates of interest (including penal interest) if any, to be charged on loans, and the costs incurred in the making thereof, shall be paid under section 5;

(e) the manner of keeping and auditing the accounts of the expenditure of loans, and of the payment made in respect of the same;

(f) the valuation of securities;

(g) the insurance of property mortgaged for securing the loan;

(h) the form of agreement deed and mortgage deed in respect of the property offered as security for the loan;

(i) all other matters pertaining to the working of the Act.

(3) The rules made under this section shall be subject to the condition of the previous publication.

(4) All rules made under this section shall be laid for not less than thirty days before each House of the State Legislature as soon as may be after they are made, and shall be subject to such modifications as the State Legislature may make, during the session in which they are so laid or the session immediately following, and publish in the Official Gazette.

