

Rajasthan Land Development Corporation Act, 1975

17 of 1975

[29 March 1975]

CONTENTS

CHAPTER 1 :- PRELIMINARY

1. Short title and extent
2. Definitions

CHAPTER 2 :- ESTABLISHMENT OF THE CORPORATION, ITS CAPITAL AND MANAGEMENT

- 3 . Establishment and incorporation of the Rajasthan Land Development Corporation
4. Offices and agencies
5. Share capital and share-holders
6. Restrictions on transfer of shares

CHAPTER 3 :- MANAGEMENT OF THE CORPORATION

7. Management
8. Constitution of the Board
9. Disqualifications for being a director of the Corporation
10. Vacation and resignation of office by directors
11. Managing Director
12. Casual vacancies in the office of the managing director
13. Remuneration of Directors
14. Meetings of the Board
15. Committees of the Corporation
16. Member of Board or Committee thereof not to vote in certain cases

CHAPTER 4 :- BUSINESS AND FUNDS OF THE CORPORATION

17. Business which the Corporation may transact
18. Borrowings by the Corporation
19. Other sources of funds

CHAPTER 5 :- PROJECTS

20. Sanction of projects
21. Execution of works
22. Regional Managers

23. Power to enter upon a land-holding

CHAPTER 6 :- COST OF WORKS

24. Proportionate cost of works to be provided by land holders

25. Default on the part of land-holder

CHAPTER 7 :- ORDINARY AND SPECIAL LOANS

26. Ordinary loan

27. Special loan

28. Rebates and additional interest

CHAPTER 8 :- RECOVERIES OF DUES PAYABLE BY LAND-HOLDERS TO THE CORPORATION

29. Recoveries from land-holders

CHAPTER 9 :- PREVENTIVE ACTION AND PENALTIES

30. Stoppage of water supply for irrigation

31. Penalties for obstruction of works

32. Powers of Collector in case of default by Corporation and other officers

CHAPTER 10 :- FINANCIAL ESTIMATES, FUNDS, ACCOUNTS AND AUDIT

33. Submission of programme of activities and financial estimates

34. Funds of the Corporation

35. Preparation of balance-sheets etc., of Corporation

36. Disposal of profits

37. Audit

38. Returns

CHAPTER 11 :- ENQUIRIES AND APPEALS

39. Enquiry by Collector and appeal against his order

40. Omitted

CHAPTER 12 :- INTER-SERIGHTS AND LIABILITIES OF LAND-HOLDERS

41. Act not to affect inter-se rights and liabilities of land-holders

42. Determination of disputes arising out of land developments

CHAPTER 13 :- MISCELLANEOUS

43. Power of the State Government to give directions

44. Staff of the Corporation

45. Utilisation of staff and services of the State Government

46. Liquidation of Corporation

47. Indemnity of Directors

- 48. Defects in appointment of Directors not to invalidate acts etc
- 49. Protection of action under the Act
- 50. Declaration of fidelity and secrecy
- 51. Delegation of powers
- 52. Power of the State Government to make rules
- 53. Power of Board to make regulations
- 54. Repeal and Savings

SCHEDULE 1 :- Schedule

Rajasthan Land Development Corporation Act, 1975

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PREAMBLE

An Act to constitute a corporation for the execution of projects relating to land development with a view to preventing damage to land and loss in agricultural productivity and to securing optimum utilization of land and water resources in the State of Rajasthan and for other matters connected therewith or incidental thereto.

Be it enacted by the Rajasthan State Legislature in the twenty-sixth Year of the Republic of India as follows: -

CHAPTER 1 PRELIMINARY

1. Short title and extent :-

(1) This Act may be called the Rajasthan Land Development Corporation Act, 1975.

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

2. Definitions :-

(1) In this Act, unless the context otherwise requires. -

(a) "area" means an area of land notified or to be notified under, or falling within the purview of the relevant law and entrusted to the Corporation under this Act for execution of any project:

(b) "bank" means a banking company as defined in Sec. 5(c) of the Banking Regulation Act, 1949 (Central Act 10 of 1949) and includes-

(i) the State Bank of India constituted by the State Bank of India Act, 1955 (Central Act 23 of 1955);

(ii) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (Central Act 38 of 1959);

(iii) a corresponding new bank as defined in the Banking

Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Central Act 38 of 1970);

(iv) a financing bank as defined in the Rajasthan Co- operative Societies Act, 1965 (Rajasthan Act 13 of 1965);and

(v) any other banking institution that may be notified by the State Government to be a bank for the purposes of this Act;

(c) "Board" means the Board of Directors of the Corporation;

(d) "Collector" means the Chief Officer-in-charge of revenue administration of a district and includes an Additional Collector or any officer appointed by the State Government to perform all or any of the functions, and to exercise all or any of the powers of a Collector under this Act;

(e) "Competent Authority" means any authority empowered, under the relevant law, to require execution of works by land holders, or to execute or get the works executed;

(f) "Corporation" means the Rajasthan Land Development Corporation established under this Act;

(g) "cost of works" means all costs, charges and expenses as estimated by the Corporation, and which the Corporation may have to incur on, or in connection with, execution of the works and includes-

(i) such servicing charges as may be prescribed in assisting a land holder in obtaining an ordinary loan;

(ii) such charges as may be prescribed not exceeding eighteen percent of the cost of works in cases where a land holder does not provide funds to the Corporation for execution of works either from his own resources or by raising an ordinary or a special loan or otherwise;

(iii) any other charges or fees as may be prescribed; and

(iv) all expenses which may be incurred by the Corporation in recovery of any of the foregoing items:

(h) "financing institution" means any statutory corporation or other body corporate established in India which has as one of its objects the financing of agriculture in India and which is notified by the State Government to be a financing institution for the purposes of this Act;

(i) "land" shall have the same meaning as assigned to it under the Rajasthan Tenancy Act, 1955 (Raj. Act 3 of 1955);

(j) "land development" means any of the following works: -

(i) construction, renovation, re-designing, re-aligning and lining of water courses;

(ii) land leveling and land shaping, including re-alignment of field

boundaries;

(iii) digging, renovation, re-designing and re-aligning of field drains;

(iv) providing of drop structures, culverts and farm roads in the fields;

(v) land reclamation by use of engineering, biological and chemical measures, including leaching;

(vi) contour bunding and nala bunding;

(vii) growing of trees, plants, shrubs and grasses;

(viii) development of permanent and temporary pastures, farm forestry and commercial afforestation;

(ix) such other works as may be necessary or incidental to development of land or ground or flow water potential and for optimizing the utilization of land and water resources; and

(x) repairing and maintenance of any of the foregoing works;

(k) "land holder" means a person in actual possession of the land, whether as an owner or a tenant or sub-tenant or as mortgagee in possession or licensee or otherwise, and includes a person who is likely to be benefited by the works; and the expression "land holding" shall be construed accordingly;

(l) "ordinary loan" means a loan granted by a bank or any financing institution to a land-holder against mortgage of land or any other security;

(m) "prescribed means prescribed by rules or regulations made under this Act;

(n) "project" means any project of, or scheme for, land development sanctioned under section 20;

¹[(o) "proportionate cost of works" means the average cost of works recoverable from a land-holder in proportion to the extent of the works done or to be done on, or for the benefit of, his holding calculated on the basis of the total cost incurred with respect to a chack or, as the case may be, a group or chacks;)

(p) "relevant law" means the Rajasthan Colonization Act, 1954 (Raj. Act 27 of 1954), the Rajasthan Soil and Water Conservation Act, 1964 (Raj. Act 1 of 1965), the Rajasthan Irrigation and Drainage Act, 1954 (Raj. Act 21 of 1954), or any other law relating to land development for the time being in force in the State of Rajasthan, and any rules, notifications and orders made under any of the said enactments or such other law;

(q) "Special Loan" means a loan granted by the Corporation to a land-holder as provided in Sec. 27; and

(r) "works" includes any work relating to the land development to

be executed under a project under this Act.

Words used but not defined under this Act shall have the meaning assigned to them under the relevant law.

1. Substituted by Raj. Act 1 of 1987, Pub. in Raj. Govt. Gaz., Exty. Part 4(A) dated 12.3.1987, Page 49.

CHAPTER 2 ESTABLISHMENT OF THE CORPORATION, ITS CAPITAL AND MANAGEMENT

3. Establishment and incorporation of the Rajasthan Land Development Corporation :-

(1) With effect from such date as the State Government may, by notification in the Official Gazette appoint, there shall be established for the purposes of this Act a Corporation to be known as the Rajasthan Land Development Corporation.

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

4. Offices and agencies :-

The Corporation shall establish its head office in Jaipur and may, with the previous approval of the State Government, establish offices or agencies in other places.

5. Share capital and share-holders :-

(1) The authorised capital of the Corporation shall be ten crores of rupees divided into 10,000 shares of rupees ten thousand each, of which two thousand fully paid-up share of ten thousand rupees each, shall be issued in the first instance, and the remaining shares may, with the prior sanction of the State Government, be issued from time to time by the Corporation as and when the Corporation, may deem fit.

(2) The State Government and the Central Government shall subscribe, in such proportion as may be mutually determined by them, to the share capital to be issued in the first instance.

(3) Subsequent issues of share capital may be subscribed to by the State Government and the Central Government in such proportion as may be mutually determined.

(4) The State Government may from time to time increase the authorised capital of the Corporation to such extent as the State Government may deem necessary.

6. Restrictions on transfer of shares :-

The shares of the Corporation shall not be transferable except as between the State Government and the Central Government and in accordance with the regulations made in this behalf.

CHAPTER 3 MANAGEMENT OF THE CORPORATION

7. Management :-

(1) The General Superintendence, direction and management of the affairs and business of the Corporation shall vest in the Board which may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

(2) The Board in discharging its functions shall act on business principles, regard being had to public interest.

8. Constitution of the Board :-

(1) The Board of Directors shall consist of the following, namely: -

(a) a Secretary to the State Government nominated by the State Government, who shall be the Chairman of the Board;

(b) not more than five officials of the State Government, one of whom may be appointed by the State Government to be Vice-Chairman of the Board;

(c) not less than three officials of the Central Government nominated by that Government;

(d) one director to be nominated by the State Government to represent banks and financing institutions;

(e) one director having special knowledge or practical experience in respect of agriculture and rural economics to be nominated by the State Government;

(f) not more than four directors nominated by the State Government from amongst land holders of the project areas, two of whom shall be so nominated from the weaker sections of those areas; and the other two shall be from amongst the small farmers;

(g) a managing director to be appointed by the State Government, except in the case of the first appointment, in consultation with the Board.

Explanation.-For the purpose of clause (f), the expressions-

- (i) "weaker section" means such economically and socially backward or neglected section of the land holders as may be prescribed; and
 - (ii) "small farmers" means such farmers as the Central Government may, by notification in their official Gazette define.
- (2) A director other than the managing director shall hold office during the pleasure of the authority nominating him.

9. Disqualifications for being a director of the Corporation :-

No person shall be a director who-

- (a) is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded, with his creditors; or
- (b) is of unsound mind and stands so declared by a competent Court; or
- (c) is or has been convicted of any offence which, in the opinion of the State Government, involves moral turpitude.

10. Vacation and resignation of office by directors :-

If a director-

- (a) becomes subject to any of the disqualifications mentioned in Sec. 9; or
- (b) is absent without leave of the Board from more than three consecutive "meetings" thereof without cause sufficient in the opinion of the State Government to exonerate such absence.

The State Government may declare that the director shall be deemed to have vacated his office and thereupon his seat shall become vacant.

11. Managing Director :-

(1) The managing director shall-

- (i) be a whole time officer of the corporation;
- (ii) exercise such powers and perform such duties as the Board may delegate or entrust to him by regulations or otherwise;
- (iii) hold office for such term not exceeding five years, as the State Government may at the time of appointment specify, and be eligible for re-appointment; and
- (iv) receive such salary and allowances and be governed by such terms and conditions of service as the Board may, with the previous approval of the State Government; may determine:

Provided that the first managing director shall receive such salary

and allowances and shall be governed by such terms and conditions of service as the State Government may determine.

(2) The State Government may at any time, after consultation with the Corporation, remove the managing director from office :

Provided that no order for the removal of the managing director on the ground of any misconduct shall be made except after giving him an opportunity of being heard against the proposed removal.

12. Casual vacancies in the office of the managing director :-

If the managing 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 State Government, after consultation with the Corporation, may appoint another person to act in his place during his absence.

13. Remuneration of Directors :-

Directors, save as otherwise provided in Sec. 11, shall be paid such fees and allowances as may be prescribed for attending the meetings of the Board or of any of its committees and for attending to any other work of the Corporation:

Provided that no fee shall be payable under this section to the chairman, managing director or any other director who is an officer of the State Government or the Central Government.

14. Meetings of the Board :-

(1) The Board shall meet at such times and places, and shall observe such rules of procedure in regard to transaction of the business at its meetings, as may be prescribed:

Provided that the Board shall meet at least once in every three months.

(2) The Chairman or, in his absence, the Vice-Chairman, if any, or in the absence of both the Chairman and the Vice-Chairman, any director chosen by the directors present from amongst themselves shall preside at a meeting of the Board.

(3) All matters which come up before any meeting of the Board shall be decided by a majority of the votes of the Directors present and voting and, in the event of equality of votes, the person presiding shall have a second or casting vote.

(4) In case the Board deems necessary to seek the advice or opinion of any person on any particular matter, the Board may invite such person to attend any meeting of the Board. Such invitee shall have a right to participate in any discussions but shall have no right to vote at the meeting.

15. Committees of the Corporation :-

(1) The Board may constitute an Executive Committee consisting of such number of directors as may be prescribed.

(2) The Executive Committee shall discharge such functions as may be prescribed or otherwise delegated to it by the Board.

(3) The Board may constitute such other committees, whether consisting wholly of directors or wholly of other persons or partly of directors and partly of other persons as it thinks fit for such purposes as it may decide.

(4) A committee constituted under sub-sec. (3) shall discharge such functions as may be delegated to it by the Board by regulations or otherwise.

(5) A committee constituted under this section shall meet at such times and places and shall observe such rules and procedure in regard to the transaction of business of its meeting as may be prescribed.

(6) The members of a committee other than the directors of the Board, shall be paid by the corporation such fees and allowances as may be prescribed for attending its meetings and for attending to any other work of the corporation.

16. Member of Board or Committee thereof not to vote in certain cases :-

A Director of the Board or a member of a committee 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 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 or member shall not take any part in any deliberation or decision of the Board or the committee with respect to that matter except to furnish such clarification as may be required of him.

CHAPTER 4 BUSINESS AND FUNDS OF THE CORPORATION

17. Business which the Corporation may transact :-

(1) The principal business of the Corporation shall be execution of projects in accordance with the provisions of this Act.

(2) In addition, the Corporation may carry on and transact all or any of the following kinds of business, namely: -

(a) formulation, appraisal and evaluation of projects;

(b) erecting machinery, workshops, godowns, bridges, railway sidings, and any other structures whatsoever in the project areas for the purpose of execution of works;

(c) providing consultancy service to the State Government and with its approval, to any person in matters relating to strategy of land development and infrastructure programmes like development, remodelling of canal system, channels and drainage facilities, planning and training requirements, demonstration and cropping patterns, need-based research programmes, livestock development, afforestation programme and rural electrifications;

(d) financing of projects and related infrastructure programmes;

(e) carrying out extension works in project areas;

(f) drawing, accepting, making, endorsing, executing and discounting of bills of exchange, hundies, promissory notes, bills of lading, warrants and any other negotiable or transferable instruments, for the purpose of the business of the Corporation;

(g) providing training facilities to persons who are likely to benefit the Corporation in execution of the projects;

(h) undertaking research and surveys and techno-economic studies in connection with development of agriculture and agro- industries;

(i) assist land-holders in obtaining ordinary loans;

(j) assisting banks and financing institutions in collection and processing of loan applications and other connected documents from land-holders;

(k) granting special loans;

(l) obtaining indemnities, guarantees, concessions and immunities for the purpose of the business of the Corporation; and

(m) generally doing such other acts as may promote the execution of projects, or as may be necessary for or incidental to the exercise of its powers or discharge of its duties under this Act.

18. Borrowings by the Corporation :-

(1) The corporation may, for the purpose of carrying out its functions under this Act -

(a) issue and sell bonds and debentures and other securities

carrying interest;

(b) borrow moneys and accept deposits from the Central Government, the State Government, any bank or financing institution and, with the approval of the State Government, from a corporate body or from any other person.

(2) The State Government may guarantee the bonds and debentures and other securities issued under clause (a), and the loans and deposits raised by the Corporation under clause (b), of sub-sec. (1) as to the repayment of principal and payment of interest thereon and incidental charges.

(3) Without the approval of the State Government, the total borrowings of the Corporation under sub-sec. (1) shall not, at any time, in the aggregate exceed twice the amount of the paid-up share capital and reserves of the corporation.

19. Other sources of funds :-

The Corporation may receive remuneration for its services, including costs of the execution of works, if any, incurred by the Corporation under this Act and accept gifts, grants, subsidies, donations or any benefactions from any person.

CHAPTER 5 PROJECTS

20. Sanction of projects :-

(1) The State Government may, by notification in the Official Gazette, sanction any project, specifying the areas entrusted to the Corporation, and the works to be executed by the Corporation in such areas.

(2) Notwithstanding anything to the contrary contained in the relevant law, the Corporation shall, in collaboration with the prescribed agency, be the sole authority for execution of works in the areas entrusted to the Corporation under sub-sec. (1), except in cases where land-holders execute works in their respective land-holdings, within the period and in the manner specified by the competent authority.

(3) Only such of the provisions contained in the relevant law, as empower the competent authority to execute or to get the works executed, shall cease to apply in relation to the areas entrusted to the Corporation under sub-sec. (1) and, in particular, nothing herein contained shall affect the exercise of powers and performance of functions by the competent authority in relation to

issue of any notices, requisitions, and directions by it to land-holders for execution of the works.

21. Execution of works :-

The Corporation may execute the works itself or have the works executed through the appropriate departments of the State Government or through any other agency.

22. Regional Managers :-

(1) The Corporation may appoint regional managers for project areas.

(2) Each such regional manager shall be incharge of such project areas as may be allocated by the Corporation and shall work under the control and supervision of the managing director of the Corporation.

23. Power to enter upon a land-holding :-

(1) Such officers, servants and other persons as may be authorised by the Corporation or the State Government in this behalf, may at any time, after giving a land-holder reasonable notice, enter upon his land holding and carry out surveys and investigations and all such works and things as may be necessary in connection with execution of any project.

(2) If the Corporation continues to occupy a land-holding for the purpose of execution of works for a period beyond three months, the Corporation shall compensate the concerned land-holder for any loss of income from the land-holding which he would have otherwise not suffered. Such compensation shall be determined in an enquiry to be held by the Collector after giving both the Corporation and the land-holder an opportunity of being heard.

CHAPTER 6 COST OF WORKS

24. Proportionate cost of works to be provided by land holders :-

(1) For the purpose of execution of the works, every land-holder, other than those who execute the works in their respective land holdings within the period and in the manner specified by the competent authority, shall pay to the Corporation the proportionate cost of works on the issue of a notice to him by the Corporation.

(2) The said notice shall, in addition to such other matters as the Corporation may deem necessary, specify: -

(i) the amount of the proportionate cost of works payable by the land-holder to the Corporation;

(ii) the period within which and the place at which the payment is to be made; and

(iii) number of instalments, if any, fixed for such payment, and the due date thereof.

(3) The notice under this section shall be served upon the land-holder in the manner provided in the Rajasthan Land Revenue Act, 1956 (Rajasthan Act 15 of 1956).

(4) Any dispute relating to a notice shall be adjudicated in an inquiry to be held by the Collector.

25. Default on the part of land-holder :-

If a land-holder neglects or fails to pay to the Corporation the proportionate cost of works as provided in the notice under Sec. 24, the works shall be executed by the Corporation and the whole of the proportionate cost of works, or the outstanding amount thereof, as the case may be, shall be a charge on his land-holding and shall be recoverable as stated in Sec. 29.

CHAPTER 7 ORDINARY AND SPECIAL LOANS

26. Ordinary loan :-

(1) A land-holder may, with the assistance of the Corporation, apply to a bank or a financing institution for an ordinary loan for meeting the proportionate cost of works.

(2) The amount of ordinary loan, if sanctioned to the land-holder, shall be paid to the Corporation by the bank or the financing institution concerned on account of and on behalf of the land-holder towards the proportionate cost of works payable by him to the Corporation.

27. Special loan :-

(1) If the Corporation is satisfied, for reasons to be recorded by it in writing, that land-holder is unable to raise an ordinary loan, it may grant to such land-holder a special loan :

Provided that if a land-holder holds any land in excess of the ceiling prescribed by the Rajasthan Imposition of Ceiling on Agricultural Holdings Act, 1973 (Rajasthan Act 11 of 1973), which excess land

is liable to be surrendered under that Act and the land-holder produces a certificate to that effect from any Authorised Officer appointed under that Act, the Corporation may grant him a special loan in respect of such excess land, even without its being satisfied that he is unable to raise an ordinary loan.

(2) A special loan may be granted by the Corporation at such rate of interest and on such other terms and conditions as may be prescribed.

(3) The amount of special loan, together with interest thereon shall be a charge on the land-holding which shall be recoverable as an arrear of land revenue within the meaning of Sec. 29 and the proceeds of the recovery shall be appropriated by the Corporation towards the proportionate cost of works payable by the land-holder.

28. Rebates and additional interest :-

In respect of either the proportionate cost of works or a special loan,-

(a) the Corporation may allow a land-holder a rebate for punctual payment;., at such rates as may be prescribed; and

(b) in the event of default by a land-holder in repayment of any instalment of principal or payment of interest thereon on the due date, he shall be liable to pay an additional interest at such rate, not exceeding 3 per cent per annum as may be prescribed for the period from the date of default till the date of realisation of the amount.

CHAPTER 8 RECOVERIES OF DUES PAYABLE BY LAND-HOLDERS TO THE CORPORATION

29. Recoveries from land-holders :-

(1) Any sum due and payable by a land-holder to the Corporation under this Act or under any rules or regulations framed hereunder shall be deemed to be an arrear of land revenue due on account of the land for the benefit of which the works have been executed and shall be recoverable as such arrear by any of the methods provided in the Rajasthan Land Revenue Act, 1956 (Raj. Act No. 15 of 1956).

(2) The regional manager or any other officer of the Corporation authorised by the Corporation in this behalf shall, under his signature, send a certificate to the Collector, specifying therein the

following particulars, -

- (i) the full name and address of the land-holder as available with the Corporation;
 - (ii) the particulars of the land-holding for the benefit of which the works have been executed by the Corporation; and
 - (iii) the amount due and payable by the land-holder to the Corporation, and the rate at which the additional interest is to be charged on the amount due till its realisation.
- (3) The certificate issued under sub-sec. (2) shall be conclusive evidence of the amount specified therein as being due and payable by the land holder.
- (4) On recovery of the amounts in pursuance of a certificate under this section, the Collector shall forthwith take all necessary steps for payment thereof to the corporation.

CHAPTER 9 PREVENTIVE ACTION AND PENALTIES

30. Stoppage of water supply for irrigation :-

(1) If land-holder, -

- (i) fails to provide fund; to the Corporation within the period allowed to him for the meeting proportionate cost of works; or
- (ii) has failed to pay more than two consecutive instalments of the proportionate cost of works or of the special loan, as the case may be; or

(iii) obstructs the execution of any works; the regional manager may make a request in writing to the Collector for issue of an order to the Divisional Irrigation Officer having jurisdiction over the land-holder in question, to forthwith discontinue supply of irrigation water to the land- holding of such land-holder, and the Collector shall issue such order to the Divisional Irrigation Officer concerned.

(2) Notwithstanding anything contained in the Rajasthan Irrigation and Drainage Act, 1954 (Raj. Act 21 of 1954), the Divisional Irrigation Officer shall carry out the order issued by the Collector under sub-sec. (1).

(3) If, upon an enquiry, after giving both to the Corporation and to the land-holder an opportunity of being heard, the Collector comes to the conclusion that the requisition made by the regional manager under sub-sec. (1) was not proper and the consequent stoppage of supply of irrigation water to the land-holder had caused loss to the land-holder, the Collector may pass an order, directing the Corporation to pay to the land holder such amount as the Collector may assess to be reasonable compensation for such

loss.

(4) If the default or breach is remedied by the land-holder to the satisfaction of the regional manager, the Collector shall, on receipt of a written intimation from the regional manager in that regard, rescind the order issued by him under sub-sec. (1), and forthwith issue the necessary instructions to the Divisional Irrigation Officer concerned for resumption of irrigation water supply to the land-holding of the land-holder.

31. Penalties for obstruction of works :-

Any person who without proper authority, obstructs the execution of any works, or causes any damage to any works, shall, on conviction, be punishable with fine which may extend to one thousand rupees, or with simple imprisonment for a period which may extend to six months, or with both.

32. Powers of Collector in case of default by Corporation and other officers :-

(1) If the Collector, upon an enquiry, comes to the conclusion that any particular work has not been executed by the corporation in accordance with the sanctioned plans and specifications or remains incomplete, which has resulted in a material decrease in the benefits expected from the work, the Collector may issue an order requiring the Corporation, -

(i) to rectify the defects or complete the unfinished work, as the case may be, within such period as the Collector may allow; and
(ii) to defer, in the case of a land-holder who has been granted a special loan, the recovery of instalments of the special loan till the defects are rectified or the unfinished work is completed, as the case may be.

(2) If the Corporation fails to comply with the order of the Collector under sub-sec. (1), the Collector may,-

(i) reduce, in case a land-holder who has been granted a special loan, the total loan amount and instalments thereof payable by him so as to be commensurate with the benefits derived by him, and
(ii) allow, in case of a land-holder who has been granted an ordinary loan, suitable compensation to him in proportion to the benefits of which he has been deprived:

Provided that the amount of compensation shall not in any case exceed the principal amount of the ordinary loan originally sanctioned to him:

Provided further that, in the case of an ordinary loan, if the bank or the financing institution from which such loan has been borrowed by the land-holder has given notice of such loan to the Collector, the compensation shall be paid to such bank or the financing institution, as the case may be, on account and on behalf of the land-holder borrowing the ordinary loan to the extent of the loan amount together with interest outstanding against him, and not to such land-holder directly.

(3) All officers empowered to do acts or required to discharge their duties, under this Act, shall do their acts or perform their duties with due care and caution and expeditious dispatch and save for good reason and good faith, they shall be liable to punishment with a fine which may extend to rupees one thousand for any willful neglect or remission.

CHAPTER 10 FINANCIAL ESTIMATES FUNDS, ACCOUNTS AND AUDIT

33. Submission of programme of activities and financial estimates :-

(1) The Corporation shall, before the commencement of each accounting year, prepare a statement of programme of its activities during the forth-coming accounting year as well as a financial estimate in respect thereof.

(2) The statement and the estimate prepared under sub-sec. (1) shall be submitted for approval to the State Government not later than three months before the commencement of each and returned to the corporation at least one month before the commencement of the accounting year.

(3) The Corporation may, with the approval of the State Government, revise or modify the statement and estimate referred to in sub-sec. (1).

(4) The periods specified herein for preparation of statement of programme and financial estimate and approval thereof may be extended by the State Government for proper cause.

34. Funds of the Corporation :-

(1) The Corporation shall have and maintain its own fund, and all receipts of the Corporation shall be carried thereto and all payments by the Corporation shall be made there from.

(2) The fund of the Corporation shall be applied by it subject to the

provisions and for the purpose of this Act.

(3) The Corporation may deposit and keep deposited with any bank such sums as may be needed by it for its operations and the surplus may be invested in such manner as may be approved by the State Government.

1) The Corporation shall, before the commencement of each accounting year, prepare a statement of programme of its activities during the forth-coming accounting year as well as a financial estimate in respect thereof.

(2) The statement and the estimate prepared under sub-sec. (1) shall be submitted for approval to the State Government not later than three months before the commencement of each and returned to the corporation atleast one month before the commencement of the accounting year.

(3) The Corporation may, with the approval of the State Government, revise or modify the statement and estimate referred to in sub-sec. (1).

(4) The periods specified herein for preparation of statement of programme and financial estimate and approval thereof may be extended by the State Government for proper cause.

35. Preparation of balance-sheets etc., of Corporation :-

(1) The Board shall cause the books of accounts of the Corporation to be balanced and closed as on the ¹[Thirty- first day of March] each year.

(2) The balance-sheet and accounts of the corporation shall be prepared and maintained in such manner as may be prescribed.

1. Substituted by Raj. Act. 1 of 199(1. Pub.in Raj. Govt. Gaz., Exty., Part IV-A. dated 18.1.1990, Page 78.

36. Disposal of profits :-

(1) The Corporation shall establish a reserve fund by transferring such sums as it may deem fit out of its net annual profits before declaring a dividend.

(2) After making provisions for bad and doubtful debts, depreciation of assets and all other matters which may be considered necessary by the Board, the Corporation may, out of its net annual profits, declare a dividend.

37. Audit :-

- (1) The accounts and affairs of the Corporation shall be audited by an auditor duly qualified to act as auditor of companies under sub-sec. (1) of Sec. 226 of the Companies Act, 1956 (Central Act 1 of 1956) who shall be appointed by the State Government and shall receive such remuneration from the Corporation as the State Government may fix at the time of appointment.
- (2) The auditor so appointed shall hold office for such period as may be fixed by the State Government.
- (3) The auditor shall be supplied with a copy of the annual balance sheet of the corporation and it shall be his duty to examine it, together with the accounts and vouchers relating thereto, and the auditor shall have a list delivered to him of all books kept by the Corporation and shall at all reasonable times have access to the books, accounts and other documents of the Corporation.
- (4) The auditor may, in relation to the accounts of the Corporation, examine any director of the Board or any officer or employee of the Corporation, and shall be entitled to require from them or any of them such information and explanations as the auditor may think necessary for the performance of his duties.
- (5) The auditor shall make a report to the Board upon the annual balance-sheet and accounts and in every such report, he shall state whether, in his opinion, the balance-sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up so as to exhibit true and correct view of the state and affairs of the Corporation, and in case he had called for any explanation or information, whether it has been given and whether it is satisfactory.
- (6) The State Government may, in consultation with the Controller and Auditor General of India, at any time issue directions to the auditor requiring him to report to it upon the adequacy of measures taken by the Corporation for the protection of the share-holders and creditors or upon the sufficiency of the procedure in auditing the affairs of the Corporation and may enlarge or extend the scope of the audit or direct a different procedure to be adopted by the auditor, or direct that any other examination be made by the auditor, if, in the opinion of the State Government, public interest so requires.
- (7) The Corporation shall send a copy of every report of the auditor to the Comptroller and Auditor General of India at least one month before it is placed before the Board.
- (8) Notwithstanding anything hereinbefore contained in this

section, the Comptroller and Auditor General of India may, either of his own motion or on a request received in this behalf from the State Government, undertake such audit and at such time as he may consider necessary.

(9) Every audit report under this section shall be forwarded both to the Central Government and the State Government, and the State Government shall cause the same to be laid before the Legislature of the State.

38. Returns :-

(1) The Corporation shall furnish to the State Government, from time to time, such returns as the State Government may require.

(2) The Corporation shall in respect of each accounting year, furnish to the State Government within a period of three months from the date on which the annual accounts of the Corporation are closed, a copy of the balance-sheet as on the close of that year together with a profit and loss account for the year and report of the working of the Corporation, including its policy and programme during the year.

(3) The State Government shall cause copies of the said balance-sheet, profit and loss account and report of the working of the Corporation to be laid before the State Legislature.

CHAPTER 11 ENQUIRIES AND APPEALS

39. Enquiry by Collector and appeal against his order :-

(1) Any enquiry by the Collector under this Act shall be held in the manner provided in the Rajasthan Land Revenue Act, 1956 (Raj. Act No. 15 of 1956).

(2) Subject to the provisions of sub-sec. (3), any order made by the Collector in any such enquiry shall be final and binding upon the parties thereto, and shall not be called in question in any court.

¹[(3) Any person aggrieved by such order may within sixty days from the date on which the order is made, prefer an appeal before the Divisional Commissioner, having jurisdiction, appointed under Sec. 17 of the Rajasthan Land Revenue Act, 1956 (Raj. Act No. 15 of 1956) and the decision of such Commissioner thereon shall be final).

1. Substituted by Raj. Act 1 of 1987. Pub. in Raj. Govt. Gaz., Exty., Part IV-A, dated 12.3.1987, Page 49.

40. Omitted :-

¹[XXX]

1. Omitted by Raj. Act 1 of 1987, Pub. in Raj. Govt. Gaz., Exty., Part IV-A, dated 12.3.1987, Page 49.

CHAPTER 12 INTER-SE RIGHTS AND LIABILITIES OF LAND-HOLDERS

41. Act not to affect inter-se rights and liabilities of land-holders :-

Nothing contained in this Act shall prejudice or affect the rights and liabilities of land holders inter-se.

42. Determination of disputes arising out of land developments :-

(1) Any dispute between land holders, which may arise as a result of land development under this Act, shall be determined in an enquiry to be held by the Collector.

(2) In any such enquiry, the compensation which the Collector may allow to a land holder shall be determined by the Collector in accordance with the rules made by the State Government in this behalf.

(3) Subject to sub-sec. (2), the provisions contained in Sec. 39 shall apply mutatis mutandis to all matters arising from the determination of disputes under sub-sec. (1).

CHAPTER 13 MISCELLANEOUS

43. Power of the State Government to give directions :-

(1) In the discharge of its functions under this Act, the Corporation shall be guided by such directions in matters of policy involving public interest as the State Government may give to it in writing and if any question arises whether the direction relates to a matter of policy involving public interest, the decision of the State Government thereon shall be final.

(2) Where the Corporation incurs any loss in consequence of carrying out the directions of the State Government under sub-sec. (1), the same shall be made good by the State Government.

44. Staff of the Corporation :-

The Corporation may appoint such number of staff as it considers necessary or desirable for the efficient performance of its functions and determine the terms and conditions of their appointment and service by regulations or otherwise:

Provided that Financial Controller of the Corporation shall be appointed by the corporation on such terms and conditions as the State Government may, in consultation with the Board, approve.

45. Utilisation of staff and services of the State Government :-

Without prejudice to the provisions of Sec. 44, the Corporation may utilise such staff and services of the State Government as may be necessary for, or to facilitate, the discharge of functions by the corporate under this Act.

Explanation. - For the purpose of this section, "service" in relation to the State Government, shall mean providing of machinery, tools, vehicles, and such other goods and things as may be provided by the State Government to the Corporation for the purpose of execution of the works.

46. Liquidation of Corporation :-

The Corporation shall not be placed in liquidation save by an order of the State Government and in such manner as it may direct.

47. Indemnity of Directors :-

(1) Every director shall be indemnified by the Corporation against all losses and expenses incurred by him, in or in relation to the discharge of his duties, except such as are caused by his act or omission which is an offence under any law for the time being in force.

(2) A director shall not be responsible for any loss or expenses resulting to the Corporation from the insufficiency or deficiency of value of, or title to any property or security acquired or taken on behalf of the Corporation or the insolvency or wrongful act of any debtor or any person under obligation to the Corporation or anything done in good faith in the execution of the duties of his office in relation thereto.

48. Defects in appointment of Directors not to invalidate acts etc :-

(1) No act or proceeding of the Board or of any committee of the Corporation shall be questioned on the ground merely of the existence of any vacancy in, or defect in the constitution of the Board or committee or on the ground of any director or member of any committee having acted or taken part in any proceeding in contravention of Sec. 16.

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

49. Protection of action under the Act :-

No suit or other legal proceeding shall lie against the Corporation or any other person authorised by the Corporation to discharge any functions under this Act for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.

50. Declaration of fidelity and secrecy :-

Every director, auditor, officer or other employee of the Corporation or, an employee of the State Government whose services are utilised by the Corporation under Sec. 45, shall before entering upon his duties, make declaration of fidelity and secrecy in the form set out in the Schedule to this Act.

51. Delegation of powers :-

The Board may, by regulations or otherwise, delegate to any committee of the Board or to the chairman or managing director or any other officer of the Corporation, subject to such conditions and limitations, if any, as may be specified by it, as it may deem necessary.

52. Power of the State Government to make rules :-

(1) The State Government may, in consultation with the Corporation make rules, not inconsistent with the provisions of this Act, to give effect to the provisions of this Act and if there is any inconsistency between the rules and the regulations made under this Act, the rules shall prevail.

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

53. Power of Board to make regulations :-

(1) The Board may, with the previous approval of the State Government, make regulations not inconsistent with this Act providing for all matters for which no Rules have been framed under this Act and for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

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

(a) the manner in which and conditions subject to which the shares of the Corporation may be transferred and generally all matters relating to rights and duties of the share-holders;

(b) the fees and allowances that may be paid to the directors;

(c) the times and places of the meetings of the Board or of any committee constituted under this Act, and the procedure to be followed at such meetings including the quorum necessary for transaction of business;

(d) the number of directors constituting the executive committee and the functions which such committee shall discharge;

(e) the functions which any other committee may discharge under this Act;

(f) the fees and allowances that may be paid to the members of a committee other than directors;

(g) delegation of powers and functions of the Board to the committees, or to the chairman, the managing director and other officers of the Corporation;

(h) the manner and terms of issue and redemption of bonds and debentures and other securities by the Corporation;

(i) the rate of interest at which, and conditions subject to which, the Corporation may grant special loans;

(j) the rates at which a rebate may be allowed for punctual payments by land holders, and the rate at which additional interest may be charged from them in respect of amounts in default;

(k) the manner and conditions subject to which the Corporation may borrow moneys;

(l) the form and manner in which the balance sheet and accounts of

the Corporation shall be prepared and maintained;

(m) the forms of returns, statements and estimates required under this Act;

(n) duties and conduct, salaries, allowances and conditions of service of officers and other employees other than the Financial Controller;

(o) establishment and management of provident fund or other benefit funds for officers and other employees of the Corporation;

(p) determination of local offices of the Corporation for the purpose of payment of instalments by land holders under this Act; and

(q) generally for the efficient conduct of the affairs of the Corporation.

(3) All regulations made under this section shall be published in the Official Gazette and shall have effect from the date of such publication or from such earlier or later date as may be specified in the regulations.

(4) All regulations made under this section shall be laid before the State Legislature.

54. Repeal and Savings :-

(1) The Rajasthan Land Development Corporation Ordinance, 1974 (Rajasthan Ordinance No. 20 of 1974) is hereby repealed.

(2) Notwithstanding such repeal, all things done or action taken under the Ordinance so repealed shall be deemed to have been done or taken under the corresponding provisions of this Act as if this Act had come into force on the 21st day of September, 1974.

SCHEDULE 1

Schedule

(See Sec. 50)

Declaration of fidelity and secrecy

I declare that I will faithfully, truly and to the best of my judgment, skill and ability execute and perform the duties required of me as director/member of a committee/auditor officer/employee of the Rajasthan Land Development Corporation, and which property relate to the office or position held by me in the said Corporation.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Rajasthan Land Development Corporation or to the affairs of any person having any dealing with the said Corporation nor will I allow any such person to inspect or have access to any book or documents belonging to or in the possession of the Rajasthan Land Development Corporation and relating to the business of the said corporation or the business of any person having any dealing with the said Corporation.