

Madras State Aid To Industries Act, 1922

05 of 1923

[03 March 1923]

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PREAMBLE

An Act to regulate State Aid to Industries.

Whereas it is expedient to give power to ²[the State Government] to assist in the establishment and development of industries in ³[the State of Madras];

⁴[]It is hereby enacted as follows :--

1. For Statement of Objects and Reasons, see Fort St. George Gazette, Part IV, dated 29th August 1922, page 90; for proceedings of the Council, see Madras Legislative Council Proceedings, Volume IX, dated 14th November 1922, pages 617-654; for Report of the Select Committee and the Bill as amended by it, see Madras Legislative Council Proceedings, Volume X, Appendix B, pages 1023-1031; for proceedings of the Council, see *ibid*, pages 1012-1019; and pages 1047-1076.

This Act was extended to the merged State of Pudukkottai by section 3 of, and the First Schedule to, the Madras Merged States (Laws) Act, 1949 (Madras Act XXXV of 1949).

This Act was extended to the Kanyakumari district and the Shencottah taluk of the Tirunelveli district by section 3 of, and the Schedule to, the Madras (Transferred Territory) Extension of Laws Act, 1957 (Madras Act XXII of 1957) repealing the corresponding law in force in that territory.

2. These words were substituted for the words "the Local Government" by section 2(i) of the Madras State Aid to Industries (Amendment Act, 1956 (Madras Act X of 1956).

3. These words were substituted for the words "the Presidency of Madras" by *ibid*.

4. The expression "and whereas the previous sanction of the Governor-General has been obtained under section 80-A of the Government of India Act to the passing of this Act" was omitted by section 2 (ii), *ibid*.

1. Short title :-

(1) This Act may be called the Madras State Aid to Industries Act, 1922.

(2) It extends to the whole of ¹[the State of Madras.]

1. These words were substituted for the words "Presidency of Madras" by section, *ibid*.

1A. Definitions :-

¹[In this Act--

²[(i) cottage industry means an industrial business or enterprise

carried on in any premises to which the Factories Act, 1948 (Central Act LXIII of 1948), does not apply and includes dairy-farming, bee-keeping and keeping a poultry-farm.

³[(ii) small-scale industry means an industrial business or enterprise the capital invested in which does not exceed five lakhs of rupees.]

³[(iii)] village industry means any industry which forms the normal occupation, whether whole time or part time, of any class of the rural population of the ⁴(State).

1. This section was inserted by section 2 of the Madras State Aid to Industries (Amendment) Act, 1937 (Madras Act XIII of 1937).

2. This clause was substituted for the original clause by section 5(i) of Madras Act X of 1956, *ibid*.

3. Original clause (ii) was renumbered as clause (iii) and the present clause (ii) was inserted by 5 (ii), of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956.)

4. This word was substituted for the word "Province" by the Adaptation Order of 1950.

2. Director of Industries and Commerce :-

The ¹[State Government] may appoint any officer or other person to perform all or any of the functions of the ²[Director of Industries and Commerce] under this Act.

1. The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

2. These words were substituted for the words "Director of Industries," by section 3 of Madras Act X of 1956, *ibid*.

3. Board of Industries :-

(1) (a) There shall be constituted a Board of Industries consisting of ³[] not more than twelve members including the Chairman and the ex-officio members. Not more than three of the members shall be Government officials.

(b) One of the members shall be elected by the members for the time being of the Madras Chamber of Commerce; one by the members for the time being of the Southern India Chamber of

Commerce; one by the members for the time being of the Madras Trades Association; ³[] two by the members of the Madras ⁴[Legislative Assembly] ⁵[and one by the members of the Madras Legislative Council]. The election shall be conducted in such manner as may be prescribed. A return of the name of every person so elected shall be made to the ¹[State Government] by the Chairman of the Chamber or Association concerned and by the Secretary to the ⁴[Legislative Assembly], ⁶[and the Secretary to the Legislative Council] respectively, and such return shall be published in the ⁷[Official Gazette].

(c) The ²[Director of Industries and Commerce], Madras, and the Secretary to the Government of Madras in the Finance Department shall be ex-officio members of the Board of Industries.

(2) The Chairman and the remaining members shall be appointed by the ¹[State Government] by notification in the ⁷[Official Gazette], provided that if banking or mufassal interests and cottage industries are not represented by election, members so appointed shall include, as far as possible, persons who represent such interests or industries.

(3) The Board of Industries shall assist the ¹[State Government] in dealing with applications for the grant of State aid under this Act.

(4) No member shall vote on or take part in the discussion of any question coming up for consideration at a meeting of the Board of Industries if the question is one in which he has any direct or indirect pecuniary interest by himself or his partner or in which he is interested professionally on behalf of a client or as agent for any person other than ⁸[the Government or a local authority].

1. The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

2. These words were substituted for the words "Director of Industries," by section 3 of Madras Act X of 1956, *ibid*.

3. The word "and " was omitted by section 6 (ii)(a), *ibid*.

4. These words were substituted for the words "Legislative Council" by the Adaptation Order of 1937.

5. These words were added by section 6 (ii) (6) of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956).

6. These words were inserted by section 6 (ii) (c) of Madras Act X of 1956, *ibid*.

7. These words were substituted for the words " Fort St. George Gazette" by the Adaptation Order of 1937.

8. These words were substituted for the words "the Government, a local authority or a Railway Company," by section 6(iii), *ibid*.

4. No aid except in accordance with the provisions of the Act :-

No aid shall be given by the ¹[State Government] to any industrial business or enterprise except in accordance with the provisions of this Act.

1. The words " Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State " was substituted for "Provincial" by the Adaptation Order of 1950.

5. Industries to be aided :-

(1) The industries to which aid may be given under this Act shall be such as have an important bearing on the economic development of the country and shall be :

(a) new or nascent industries, or

(b) industries to be newly introduced into areas where such industries are undeveloped, or

(c) Cottage industries ¹[, or

²[(cc) small-scale industries, or]

(d) old or established industries] :

³[]

(2) No such aid shall be given to any joint-stock company unless :

(a) the same is registered in India on a rupee capital, and

(b) the company conforms to such rules as may be made by the ⁴[State Government] from time to time requiring that a minimum number or a proportion of the members of its board of management shall be ⁵[citizens of India].

⁶[Every recipient] of aid under this Act shall make such provision for the training of apprentices as the ⁴[State Government] may, from time totime, prescribe.

(3) The decision of the ⁴[State Government] as to whether the conditions of this section are fulfilled shall be final ⁷[and shall not

be called in question in any Court of law.]

1. This was added by section 2(i) of the Madras State Aid to Industries (Amendment) Act, 1936 (Madras Act VII of 1937).
2. This clause was inserted by section 7(i) (a) of Madras Act X of 1956.
3. This proviso was omitted by section 7(i) (b) of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956).
4. The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.
5. These words were substituted for the word "Indians" by the Adaptation (Amendment) Order of 1950.
6. These words were substituted for the words " Provided further that every recipient," by section 7 (iii-d) of Madras Act X of 1956, *ibid*.
7. These words were added by section 2 (ii) of the Madras State Aid to Industries (Amendment) Act 1936 (Madras Act, VII of 1937).

6. Method of giving State aid :-

Subject to the provisions of this Act and of the rules framed thereunder, the ¹[State Government] shall have power to give aid to an industrial business or enterprise in one or more of the following ways :--

- (a) by granting a loan;
- (b) by guaranteeing a cash credit, overdraft or fixed advance with a bank;
- ²[(c) by paying a subsidy for the conduct of research or for the purchase of implements or machinery or for any other specific purpose;]
- (d) by subscribing for shares or debentures;
- (e) for guaranteeing a minimum return on part of the capital of a joint-stock company;
- (f) by making a grant on favourable terms of land, raw material, firewood or water, ³[which is the property of the State];
- ⁴[(g) by supplying at concessional rates electric energy from a source ⁵(which is the property of the State.)]

1. The words "Provincial Government" were substituted for the

words "Local Government "by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

2. This clause was substituted by section 8 of Madras Act X of 1956, for clause (c) which itself was substituted for the original clause (c) by section 3 of the Madras State Aid to Industries (Amendment) Act, 1937 (Madras Act XIII of 1937).

3. These words were substituted by the Adaptation (Amendment) Order of 1950 for the words " the property of the Crown for the purposes of the Province" as substituted for the words " the property of the Local Government" by the Adaptation Order of 1937.

4. Clause (g) was added by section 2 of the Madras State Aid to Industries (Amendment) Act, 1935 (Madras Act X of 1935).

5. These words were substituted by the Adaptation (Amendment) Order of 1950 for the words "the property of the Crown for the purposes of the Province" as substituted for the words "belonging to the Local Government" by the Adaptation Order of 1937.

7. [Omitted] :-

¹[* * * * *]

1. Section 7 was omitted by the Adaptation Order of 1937.

8. Application for State aid and procedure in dealing with applications :-

(1) Any person desiring to obtain a loan or other aid for any industrial business or enterprise shall make his application to the ¹[Director of Industries and Commerce] in such form and shall furnish such information concerning his business as may be prescribed.

(2) If the extent of the aid applied for exceeds Rs. 50,000 and in any other case in which he considers this procedure necessary, the ¹[Director of Industries and Commerce] shall publish a notice in the prescribed manner calling upon any person who objects to the grant of the aid applied for to state his objections at a time or place to be specified, and shall hear such objection and make such inquiry as may be necessary.

(3) Every application for aid shall be placed before the Board of Industries for advice.

(4) The ²[State Government] may constitute district committees for the purpose of advising on applications for aid.

(5) No aid shall be granted under this Act if the Board by a unanimous resolution at a meeting advises the rejection of the application.

1. These words were substituted for the words "Director of Industries", by section 3 of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956).

2. The words " Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

9. Grant of loans :-

No loan shall be granted of an amount exceeding ²[75 percent] of the ³[net value of the assets of the industrial business or enterprise and of any other property offered as collateral security for the loan, after deducting in both cases existing encumbrances], such value to be ascertained by such person as may be appointed by the ¹[State Government] and in accordance with such rules as may be prescribed;

for the purpose of this valuation the additional assets which may be created by the expenditure of the sums granted may be taken into account to such extent as may be prescribed ⁴[. . . .].

1. The words " Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

2. This expression was substituted for the expression "50 per cent" by section 9 of Madras Act X of 1956, *ibid*.

3. These words were substituted for the words "net value of the assets of the industrial business or enterprise after deducting existing encumbrances" by section 3(i) of the Madras State Aid to Industries (Amendment) Act, 1936 (Madras Act VII of 1937).

4. The proviso was omitted by section 3 (ii), of the Madras State Aid to Industries (Amendment) Act, 1936 (Madras Act VII of 1937).

10. Loans how secured :-

¹[(1)] Every loan granted under this Act shall be secured by a mortgage or floating charge upon the whole of the assets of the business or enterprise, subject to any encumbrance existing at the time of the grant, and by such collateral security, if any, as may be required by the ²[State Government] and shall bear interest payable on such dates and at such rates as the ²[State Government] may determine.

³[(2) Notwithstanding anything contained in subsection (1), the State Government may direct that any loan granted under this Act to any industrial business or enterprise shall not bear any interest.]

1. Section 10 was renumbered as subsection (1) of that section by section 10 of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956).

2. The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

3. This sub-section was added by section 10 of Madras Act X of 1936, *ibid*.

11. Inspection and returns :-

In any case in which a loan has been applied for under this Act, the applicant, and at any time during the currency of a loan that has been granted under it, the grantee, shall be bound--

(a) to comply with any general or special order of the ¹[State Government] relative to the inspection of the premises, buildings, or plant or stock in hand of the industrial business or enterprise;

(b) to permit the inspection of all accounts relative to the industrial business or enterprise;

(c) to furnish full returns of all products manufactured or sold both as regards description and quantity;

(d) to maintain such special accounts or to furnish such statements as the ¹[State Government] may from time to time require;

(e) to submit the accounts of the industrial business or enterprise to such audit as the ¹[State Government] may prescribe.

1. The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

12. Control of business assisted :-

In any case in which a loan or loans is or are granted under this Act amounting to two lakhs of rupees or upwards, the ¹[State Government] shall, and in any other case may, by the appointment of Government directors or otherwise take power to ensure such, control over the conduct of the business or enterprise as shall suffice in their opinion to safeguard their interests.

1. The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

13. Repayment of loans :-

(1) Every loan granted under this Act shall be made repayable by installments within such period from the date of the actual advance of the loan, or when the loan is advanced in instalments from the date of payment of the last installment, as may be fixed by the order granting the loan.

(2) The period fixed as aforesaid shall not exceed twenty years unless the ¹[State Government] shall, by general or by special order, extend the same.

1. The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

14. Guaranteeing of loans by banks :-

No guarantee of a cash credit, overdraft or fixed advance with a bank shall be given except under the conditions prescribed in sections 9 to 12 in respect of loans.

14A. [Omitted] :-

¹[]

1. Section 14-A, which was inserted by section 2 of the Madras State Aid to Industries (Amendment) Act, 1928 (Madras Act VIII of 1928 and amended by section 4 of the Madras State Aid to Industries (Amendment) Act, 1936 (Madras Act VII of 1937) was omitted by section 11 of the Madras State Aid to Industries

(Amendment) Act, 1956 (Madras Act X of 1956).

15. Subscriptions for shares or debentures or guarantee of a minimum return on capital :-

The condition of subscription for shares and debentures by the ¹[State Government] or the guarantee of a minimum return on the capital of any industrial business or enterprise shall be that the business or enterprise shall be subject to the conditions of section 11 in respect of inspections and returns as well as of the provisions of section 12 in respect of Government control:

²[]

1. The words " Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word " State" was substituted for "Provincial" by the Adaptation Order of 1950.

2. This proviso was omitted by section 12 of Madras Act X of 1956, *ibid*.

16. Subsidy by the State Government :-

The condition ²[] of any payment under guarantee of a minimum return on the paid-up capital or of the grant of Government land, raw material, firewood or water on favourable terms, ³[or of the supply from a Government source of electric energy at concessional rates] shall ordinarily be that an amount equal to the sum paid or to the value of the grant ³[or concession] as fixed at the time when it is made shall be repaid to the ¹[State Government] at the close of a fixed term of years if within that term the industrial business or enterprise shall be shown to be paying interest or a dividend upon the capital invested in excess of such rate as the ¹[State Government] may fix.

⁴[].

1. The words " Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word " State" was substituted for "Provincial" by the Adaptation Order of 1950.

2. The words " of a grant of subsidy or " were omitted by section 13(j) of Madras Act X of 1956, *ibid*.

3. These words were inserted by section 3 of the Madras State Aid

to Industries (Amendment) Act, 1935 (Madras Act X of 1935).

4. This paragraph was omitted by section 13 (ii) of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956).

17. Disposal of profits when condition of State aid is not fulfilled :-

No recipient of State aid shall pay any dividend or distribute or take any profits in excess of such percentage rate upon the amount of the capital of the industrial business or enterprise as ¹[the State Government] may fix from time to time until the conditions on which the State aid has been granted are fulfilled. The balance of the profits, after setting aside proper amounts for depreciation or obsolescence of plant and buildings, and for the payment of interest on debentures of loans, shall be carried to a reserve fund to be utilized in such manner as ¹[the State Government] may approve.

1. The words "the Provincial Government" were substituted for the words "the Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

17A. Grant of aid to cottage industries by the [Director of Industries and Commerce] :-

³[Director of Industries and Commerce]

¹[²(1) The Director of Industries and Commerce may, subject to such conditions, restrictions and limitations, if any, as may be laid down by the State Government, grant aid, in accordance with such rules as may be made under this Act for the purpose, to any cottage or small-scale industry up to an amount or value not exceeding twenty-five thousand rupees :

Provided that the Director of Industries and Commerce may, on the recommendation of the Board of Industries and subject to such conditions, restrictions, limitations and rules, as aforesaid, grant aid to any small-scale industry up to an amount or value not exceeding fifty thousand rupees.].

(2) The decision of the ³[Director of Industries and Commerce] to grant or not to grant aid in any case under sub-section (1) shall not be called in question in any Court of law.

(3) The powers conferred on the ⁴[State] Government by section

12 may also be exercised by the ³[Director of Industries and Commerce] in cases where aid is ⁵[granted by the Director] under sub-section (1).

(4) Nothing contained in sections 3 and 8, and save as otherwise may be prescribed by rules made under this Act, nothing contained in sections 9, 10, 11, 14 ⁶[] and 17 shall apply to any application for the grant of aid under sub-section (1) or to any case where aid is granted under that sub-section.]

1. This section was inserted by section 2 of the Madras State Aid to Industries (Amendment) Act, 1941 (Madras Act II of 1941), re-enacted permanently with specified modifications by section 3 of, and the Second Schedule to, the Madras Re-enacting (No. II) Act, 1948 (Madras Act VIII of 1948).

2. This sub-section was substituted for the original sub-section by section 14(i) of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956).

3. The words "Director of Industries" were substituted for the words "Board of Revenue " by section 3 of, and the Second Schedule to, the Madras Re-enacting (No. II) Act, 1948 (Madras Act VIII of 1948), and for the words "Director Of Industries" these words were substituted by section 3 of Madras Act X of 1956, *ibid*.

4. This word was substituted for the word "Provincial" by the Adaptation Order of 1950.

5. These words were substituted for the words "granted by the Board" by section 3 of, and the Second Schedule to, the Madras Re-enacting (No. II) Act, 1948 (Madras Act VIII of 1948).

6. The figures and letter "14-A" were omitted by section 14 (ii) of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956)

17B. Grant of aid to cottage or small-scale industries by authorized officers :-

¹[(1) The State Government may, by general or special order, authorize any officer or other person, subject to such conditions, restrictions and limitations, if any as may be laid down by the State Government, to grant aid, in accordance with such rules as may be made under this Act for the purpose, to any cottage or small-scale industry up to an amount or value not exceeding ten thousand rupees in each case; and may by general or special order withdraw such authority.

(2) The State Government shall also have power to control and revise the acts or proceedings of any officer or other person so authorized.]

1. This section was inserted by section 15 of Madras Act X of 1956, *ibid*.

18. Methods of recovery of money due :-

(1) All moneys payable under this Act, including any interest chargeable thereon and cost, if any, incurred, if not paid when due, may be recovered from the person aided and his surety, if any, under the law for the time being in force as if they were arrears of land revenue.

(2) When any sum due as aforesaid is paid by the surety or is recovered from him or out of his property under subsection (1) the Collector shall, on the application of the surety, so far as possible, recover the same from the person aided and pay the same to the surety.

18A. Exemptions :-

¹[The State Government may, having regard to the value of the assets of any industrial business or enterprise or to the desirability of the State Government themselves granting aid directly to any industrial business or enterprise or if they consider that it would not be in the public interest to apply all or any of the provisions of this Act thereto, by order, exempt, subject to such conditions as they may think fit to impose, any industrial business or enterprise or class of industrial businesses or enterprises as they may specify in the order, from all or any of the provisions of this Act or of any rule or order made thereunder.]

1. This section was inserted by section 16 of Madras Act X of 1956, *ibid*.

19. Power to make rules :-

(a) The ¹[State Government] may make rules to carry out all or any of the purposes of this Act not inconsistent therewith.

(b) In particular and without prejudice to the generality of the foregoing power, they may make rules regulating all or any of the following matters :--

(1) the classes of industrial businesses or enterprises to which and the purposes for which aid may be given;

(2) the constitution of the Board of Industries, the term of office of its members, the quorum at the Boards meetings, the method of arriving at its decisions, the appointment of its staff, the remuneration of its members and all other matters relative to the conduct of its business; and the constitution and functions of district committees;

²[(3) * * *]

(4) the manner of making applications for State aid and the information to be given in such applications, provided that no such rules shall require any applicant or grantee of aid to divulge any information relating to the technical details of any process or any patent owned by him;

(5) the manner of conducting inquiries and the matters to be specially inquired into in dealing with applications for State aid and the powers to be exercised by the ³[Director of Industries and Commerce] conducting such inquiries;

(6) the mode of ascertaining the value of the assets of an industrial business or enterprise; ⁴[or of any property offered as collateral security for a loan;]

(7) the nature of the security to be taken for the due application of loans and grants and the rates of interest at which and the conditions under which loans or grants may be given, and the creation of a mortgage, floating charge or collateral security under section 10;

(8) the inspection of the premises, buildings, plant and stock on hand and the accounts of any industrial business or enterprise for which State aid has been granted;

(9) the mode of keeping and auditing the accounts and of furnishing returns of any industrial business or enterprise in respect of which State aid has been granted;

(10) the appointment and functions of Government directors or the prescribing of other methods of control of industrial businesses or enterprises in respect of which State aid has been granted;

(11) the application of profits in cases in which the conditions under which loans or grants have been made have not been fulfilled;

(12) the guaranteeing by the ⁵[State Government] of cash credits, overdrafts or fixed advances by banks and the recognition of banks for this purpose;

(13) the fixing of the period for the repayment of loans and the

conditions and dates of the repayment of subsidies and grants; ⁶[]
(14) the recovery of any moneys due under this Act ⁶[]
⁷[(15) the conditions under which and the security on which loans shall be granted or guarantees of a cash credit, overdraft or fixed advance with a bank given to the industries ⁸(to the industrial business or enterprise under the Act);] ⁹[and
(16) all matters connected with, or relating to, the grant of aid by the ¹⁰[Director of Industries and Commerce] under section 17-A, including all matters referred to in the foregoing clauses which are applicable to such grant;]

Provided that such rules are laid on the table of the ¹¹[Legislature] and notified in the ¹²(Official Gazette) one month after which they shall have the force of law unless amended by the ¹¹[Legislature] within that period, or, if the ¹²(Assembly) is not sitting during that period at its next meeting.

1. The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for " Provincial "by the Adaptation Order of 1950.

2. This clause was omitted by Schedule II to the Adaptation Order of 1937.

3. These words were substituted for the words "Director of Industries" by section 3 of Madras Act X of 1956, *ibid*.

4. These words were added by section 5 of the Madras State Aid to Industries (Amendment) Act, 1936 (Madras Act VII of 1937).

5. The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word " State" was substituted for "Provincial" by the Adaptation Order of 1950.

6 The word "and," which was inserted by *ibid*, was omitted by section 3(i) of the Madras State Aid to Industries (Amendment) Act, 1941 (Madras Act II of 1941), re-enacted permanently with specified modifications by section 3 of, and the Second Schedule to, the Madras Re-enacting (No. II) Act, 1948 (Madras Act VIII of 1948).

7. Clause (15) was inserted by section 3 of the Madras State Aid to Industries (Amendment) Act, 1928 (Madras Act VIII of 1928).

8. These words were substituted for the words, figures and letter "referred to in section 14-A," by section 16-A (i) of the Madras

State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956).

9 The word " and " and clause (16) were inserted by section 3 (ii) of the Madras State Aid to Industries (Amendment) Act, 1941 (Madras Act II of 1941), re-enacted permanently with specified modifications by section 3 of, and the Second Schedule to, the Madras Re-enacting (No. II) Act, 1948 (Madras Act VIII of 1948).

10. The words "Director of Industries" were substituted for the words "Board of Revenue" by section 3 of, and the Second Schedule to, the Madras Re-enacting (No. II) Act, 1948 (Madras Act VIII of 1948) and for the words "Director of Industries" these words were substituted by section 3 of Madras Act X of 1956, *ibid*.

11. This word was substituted by section 16-A(ii) of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956), *ibid* for the words "Legislative Assembly" of which the word "Assembly" was substituted for the word "Council" by the Adaptation Order of 1957.

12 These words were substituted for the words "Fort St. George Gazette" by the Adaptation Order of 1937.

20. Powers of the State Government as regards starting or conducting industries and giving aid of certain kinds :-

Nothing in this Act shall be held to debar ¹[the State Government]

(a) from starting or conducting industrial enterprise for experimental purposes or with a view to stimulate industrial development;

(b) from assisting an industrial business or enterprise by agreements to purchase on business terms the whole or a portion of the products of the same;

(c) from assisting an industrial business or enterprise by giving gratis or on favourable terms, the services of ²[Government officials, experts or others] either in the capacity of advisers or for a limited period not exceeding one year for starting or conducting such business or enterprise;

(d) from assisting an industrial business or enterprise in connexion with industrial education or the training of apprentices;

³[(dd) from assisting any industrial business or enterprise in any other manner which may be determined by the State Government;]

⁴[(e) from assisting a village industry in any manner which may be determined by the ⁵(State) Government];

⁶[(f) from establishing a company for the purpose of giving

financial assistance to industrial concerns and enterprises or from subscribing for shares in, or in any manner aiding, such company, on such terms and conditions as the ⁷[State] Government may by general or special order lay down;

(g) from subscribing for shares in, or in any manner aiding, any industrial concern or enterprise, the paid-up capital of which exceeds thirty lakhs of rupees, on such terms and conditions as the ⁷[State] Government may by general or special order lay down.]

⁸[(h) from assisting any industrial business or enterprise in the purchase of implements or machinery;

(i) from assisting in the marketing of products in the possession of any industrial business or enterprise.]

1. The words "the Provincial Government" were substituted for the words "the Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation Order of 1950.

2. These words were substituted for the words "Government officials or experts," by section (i) of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956).

3. This clause was inserted by section 17(ii), *ibid*.

4. This clause was added by section 5 of the Madras State Aid to Industries (Amendment) Act, 1937 (Madras Act XIII of 1937).

5. This word was substituted for the word " Provincial" by the Adaptation Order of 1950.

6. Clauses (j) and (g) were added by section 2 of the Madras State Aid to Industries (Amendment) Act, 1949 (Madras Act IV of 1949).

7. This word was substituted for the word "Provincial" by the Adaptation Order of 1950.

8. Clauses (h) and (i) were added by section 17 (iii) of the Madras State Aid to Industries (Amendment) Act, 1956 (Madras Act X of 1956).