

The Punjab State Aid to Industries Rules, 1936

PUNJAB

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1.

(1) These rules may be called the Punjab State Aid to Industries Rules, 1936. (2) In these rules words and expressions have the same meaning as in the State Aid to Industries Act, 1935. (3) The 'Act' means the Punjab State Aid to Industries Act, 1935. (4) 'Board' means the Board of Industries referred to in section 3 of the Act. (5) 'Section' means a section of the Act. (6) ['Small-scale Industrial Unit' means an Industrial Unit with a capital investment of not more than seven lakh and fifty thousand rupees if it is not an ancillary unit, and of not more than ten lakh rupees in case such unit is an ancillary unit, irrespective of whether the plant and machinery are new or second hand will be taken into account. An ancillary unit for this purpose will mean an industrial unit producing parts, components, sub-assemblies and tooling for supply against known or anticipated demand of one or more large units manufacturing or assembling complete products and which is not a subsidiary to or controlled by any large unit.] [Substituted by Punjab Government notification No. GSR. 67/PA.5/35/S.46/Amd.(12)/75, dated 12th June, 1975.]

2. Appointment of member elected by the Chamber of Commerce.

- In the case of appointments to be made under clauses [-] [Omitted by Punjab Government notification No. G.S.R. 98/P.A.5/35/S.46/Amd. (7)/66, dated 22nd April, 1966.] (f) and (g) of sub-section (1) of section 3 of the Act, the Secretary of the Board of Industries shall call on the Secretaries of the Chambers concerned to submit the name of the member who has been elected to represent the Chamber at the Board. [Sections (2) and 46(2)(a)] [3. Travelling Allowance. - For attending meetings of the Board [or work connected with the function of the Board] [Substituted by Punjab Government notification No. 3199-1 & C-51/1456, dated 10-3-1981.] the member of the

Board or of its Sub-Committee, including co-opted members, who are not Government Servants and who do not ordinarily reside at the headquarters of Government, shall be paid travelling allowance and halting allowance at the rate fixed for Government servants of Grade-I, drawing pay not exceeding Rs. 1,500/-. Government servants will, however, draw travelling and daily allowance admissible to officers of their grade under the rules in force] :[Provided that the members of the Legislative Assembly and Legislative Council will draw travelling allowance and halting allowance, as admissible under the Punjab Legislative Assembly (Allowances of Members) Act, 1942, and the Punjab Legislative Council (Allowances of Members) Act, 1952 and the rules made thereunder, as the case may be.] [Proviso added by Punjab Government Notification No. 3144-4DBCB- 61/29852, dated 25-1-1962.][4. Application for State Aid. - (a) Loans and supply of machinery on hire purchase system. - An application for a loan by an individual or a firm, co-operative society or company, shall be submitted to the Director of Industries, Punjab, on the prescribed form 'A' appended to these rules and shall contain a declaration signed by the applicant and in case of a Firm, Co-operative Society or Company by an authorised partner of a Firm, the Chairman or President or Manager or Secretary of a Co-operative Society and the Managing Director or Managing Agent of a Company to the effect that the statements made therein are true to the best of his/their knowledge and belief.] [Substituted by Punjab Government Notification No. 5770-3CB/S.-57/12391, dated 20th June, 1957.][****] [Sub-rule (b) omitted by Punjab Government Notification No. G.S.R. 98/P.A.5/35/S.46/Amd.(7)/66, dated 22nd April, 1966.][5. Delegation of Powers. - [(1) A loan may be granted to any person, firm, co-operative society or company by the General Manager, Manager, District Industries Centre holding independent charge of the area of District or Senior District Industries Officer of District, Industries Officer concerned or Assistant District Industries Officer holding independent charge of the area of the District, as the case may be, if the amount of loan together with the loan or loans already granted to such person, firm, co-operative society or company does not exceed ten thousand rupees)] [Substituted by Punjab Government Notification No. 5770-3CB-S-57/12391, dated the 20th June, 1957.].(2)[An emergency loan may be granted to any person, firm, co-operative society or company by the Director of Industries or Joint Director (Small Industries), or Joint Director (Village Industries), and Senior District Industries Officer, or District Industries Officer, or Assistant District Industries Officer holding independent charge of the district, if the amount of such loan to the said person, firm, co-operative society or company does not exceed five thousand rupees and two thousand rupees, respectively. A list of individuals, firms, co-operative societies or companies to whom such loans have been granted by the Director of Industries or Joint Director (Small Industries), or Joint Director (Village Industries) and Senior District Industries Officer, or District Industries Officer or Assistant District Industries Officer concerned shall be placed, by the Director of Industries, Punjab, before the Board of Industries at its next meeting.Explanation. - In sub-rule (2) of rule 5 and 7, the expression "emergency loan" shall mean the loan granted out of the funds provided for this purpose, to the Industrial Units in the districts of Gurdaspur, Amritsar, Jullundur, Ferozepur, Kapurthala and Ludhiana.] [Added by Punjab Government notification No. G.S.R. 279/P.A. 5/35/S.46/Amd.(5)/65, dated 23rd November, 1965.][6. Form of Deed. - The form of deed to be executed for a loan against the mortgage of immovable property of the applicant/applicants shall be in form 'B' but in a case where a surety/an applicant and or his have/has been offered immovable property as security, it shall be in form 'C'. The form of deed of a loan against the personal security of the [applicant/applicants and his/their surety] [Substituted by Punjab Government notification No. 5770-3CB-S-57/12391, dated 10th

June, 1957.] shall be in Form 'D' while the form of deed for a loan to a Co-operative Society shall be in Form 'E'. The form of deed for loan to the purchasers of plots under the scheme for the Development of Industries in [(or outside) the Industrial Area of Punjab shall be in Form 'F'. The deed for a loan under the scheme for the provision of Factory Accommodation shall be in Form 'J'. The agreement deed for a loan to an applicant who has yet to purchase a plot under the scheme for the provision of Factory Accommodation shall be in firm 'K' and the applicant shall have to execute a mortgage deed in Form 'L' as soon as the plot is purchased. The form of deed for loan under the scheme for the conversion of handlooms into powerlooms shall be in firm 'M'.] [Inserted by Punjab Government notification No. 1214-2CB-58/3633, dated 14th April, 1959.][The form of deed for further loan to the purchasers of plots who have already taken a loan under the scheme for Development of Industries in [or outside] [Added by Punjab Government notification No. 1025-3CB(CH)-58/11143, dated 24th April, 1958.] the Industrial Areas of Punjab and under the provisions of Punjab State Aid to Industries Act, 1935, and the rules made thereunder shall be in form 'N'.].[The form of deed for further loan against security of property already under mortgage with the Government against the loan already taken under or the provision of Punjab State Aid to Industries Act, 1935, and rules made thereunder, shall be in Form 'O'.] [Inserted by Punjab Government notification No. 557-(S)-2CB-59/4344, 27th February, 1959.].

7. Nature and amount of security.

(1)The security for the repayment of the loan or the price of machinery supplied on the hire-purchase system and all interest due thereon and for the due fulfilment of the conditions of any loan or for the unpaid balance of the cost of the machinery granted under the hire-purchase system shall be as follows :-(a)[a mortgage on all the fixed assets of the industrial concern, including [-] [Substituted by Punjab Government notification No. 303-I & C- 54/18789/A, dated 3rd April, 1954.] the premises and machinery, whether existing or to be purchased with the land or any portion thereof, provided that the estimated value of such assets is in the opinion of the Director of Industries not less than 1½ times the amount of the loan or the unpaid balance of price of the machinery, together with the personal security of the applicant; or](b)a mortgage on immovable property of the applicant or of his surety or sureties, if any, of a value equal in the opinion of the Director of Industries, to not less than 1½ times the amount of the loan, or the unpaid balance of the price of the machinery, together with the personal security of the applicant; or(bb)[A mortgage on machinery installed in a leased or rented building or that installed in a building constructed on a leased land, by the applicant, provided it is an emergency loan and does not exceed 60 per cent of the value of the machinery offered as security subject to a maximum of Rs. 35,000/- and that the said machinery is under the use of the loanee for the development of the industry for which the loan is required] [Clause (bb) added by Punjab Government notification No. G.S.R. 279/P.A.5/35/S.46/Amd.(5)/56, dated 23rd November, 1965.];(c)a charge on any security or securities on which a trustee would be competent to invest trust money under section 20 of the Indian Trusts Act, 1882, equal to not less than 1½ times the amount of the loan, together with the personal security of the applicant; or(d)all or any two of the securities mentioned in (a), (b) and (c), above, provided that the gross value of such securities is in the opinion of the Director of Industries, equal to not less than 1½ times the amount of the loan, together with the personal security of the applicant and his surety or sureties; if any.(e)[In case of loans not exceeding Rs. 10,000/- to

Small-scale Industrial units, personal security of the applicant or applicants and his or their one surety, as the case may be, rendered to the satisfaction of the General Manager, Manager, District Industries Centre holding independent charge of the area of the District or the Senior District Industries Officer or the District Industries Officer concerned or the Assistant District Industries Officer concerned holding independent charge of the area of the District as the case may be, provided the un-encumbered immovable property owned by the surety is at least double the amount of the loan.] [Substituted by Punjab Government notification No. G.S.R. 10/P.A.5/35 Sections 21 and 46/Amd.(15)/80, dated 7th February, 1980.](ee)[In the case of an emergency loan not exceeding Rs. 10,000 to a small scale industrial unit, personal security of the applicant and that of his surety rendered to the satisfaction of the Director of Industries, Punjab or the Senior District Industries Officer, or District Industries Officer or Assistant Industries Officer holding independent charge of the district as the case may be] [Added by Punjab Government notification No. G.S.R. 279/P.A.5/35/S. 46/Amd.(5)/65, Dated 23rd November, 1965.].(f)[In the case of an applicant for loan for an amount not exceeding Rs. 5,000/- by a Co-operative Society established, inter alia, with the object of facilitating the operations connected with an industry and duly registered under Punjab Co-operative Societies act, [1961] [Added by Punjab Government notification No. 12368-INC-55/72505, dated the 11th November, 1955.], no security shall be required, provided that the liability of the members of the Society in accordance with its bye-laws or the rules made under the said Act, is not less than twice the amount of the loan applied for.](g)[[Clause (g) omitted by Punjab Government notification No. G.S.R.22/P.A.5/35/S.46/Amd.(II)/76, dated the 5th March, 1976.](h)[in case of loans not exceeding Rs. 2,000 applied for by the person belonging to the Scheduled Castes (Harijans), (on their executing a bond) to the satisfaction of the Director of Industries, Punjab, the District Industries Officer concerned or the Assistant District Industries Officer holding independent charge of the District, or the Project Officer (Industries) concerned, as the case may be, provided the loan is granted having regard to the training and experience of the applicant and his actual engagement in the trade, and the second and subsequent instalments are released after verification of the utilization of the instalment or instalments released previously.] [Clause (h) added by Punjab Government notification No. G.S.R. 22/P.A.5/35/S.46/Amd.(3)/64, dated the 26th September, 1964.](2)[Notwithstanding anything contained in sub-rule (1) loans may be sanctioned by the competent authority up to 80 per cent of the security offered under any of the clauses of sub-rule (1) for the development of an Industry which has important bearing on the economic development of the State.] [Sub-rule (2) added by Punjab Government notification No. G.S.R. 220/P.A.5/35/S.46/Amd.(2)/64, dated the 22nd September, 1964.].[7A. (i) In the case of loan applicants under the scheme for the Development of Industries in the Industrial Areas of Punjab, loans may be advanced to the purchasers of plots upto 75 per cent of the cost of the plot, factory building already constructed or to be constructed and/or machinery already installed including the cash contribution to be made by them.(ii)In case of loan applications under Scheme for the provision of Factory Accommodation to the Small Scale Industrialists in the Punjab, loans may be advanced to the applicants upto 75 per cent of the cost of plot already purchased or to be purchased and/or factory building already constructed or to be constructed including the cash contribution to be made by them].

8. Valuation of security and assets.

- The value of the assets of an applicant shall, so far as they do not consist of money, be taken to be, - (a) in the case of fixed assets acquired by purchase for cash such as land, buildings, leasehold, railway sidings, plant and machinery, development of property trade marks and designs etc., the price at which these assets were acquired, subject to proper deductions for depreciation, and such deductions shall be calculated in the case of buildings, machinery and plant at the rates fixed as allowable depreciation under sub-section (2) of section 10 of the Indian Income-tax Act, 1992, and any appreciable increase or decrease in the market value of site, machinery and buildings may also be taken into consideration; (b) in the case of fixed assets acquired by purchase otherwise than for cash, the value of the consideration at the time the assets were acquired subject to such appreciation or depreciation as may be allowed by the Board; (c) in the case of stores, spare gear or tools not taken into use, the cost price or price of replacement, whichever is less; (d) in the case of stores, spare gear and tools which have been used but are still in stock, the cost price less a proper deduction for depreciation; (e) in the case of stock in trade consisting of manufactured stock, the actual market selling price at the time of valuation less a reasonable margin or where it consist of purchased stock, the cost price or price of replacement (whichever is less), less such reasonable margin as may be determined by the Board; (f) in the case of book debts, the nominal amount of these debts, provided that debts which are in the opinion of the Board doubtful debts and all debts which remain due and recoverable for a period of ever two years shall not be taken into consideration; (g) in the case of investments, the market value of those investments on the day on which the valuation is made; (h) in the case of any other assets which have not been acquired by purchase, the value of the assets at the time when they became asset of the business subject to proper deductions for depreciation, provided that no value shall be placed upon the goodwill, patents or secret processes of any business.

9.

(1) The value of the assets, so far as they consist of money, shall be all cash with bankers or on hand and the value of cash in other countries shall be taken at the rate of exchange ruling on the day on which the valuation is made. (2) The value of the additional assets that will be created by the application of the loan granted by Government shall be money expended on the acquisition of immovable property and machinery of a permanent nature and on the liquidation encumbrances of the capital value of the industry. (3) The assets having been valued as above, all debts and liabilities of the business shall be deducted, other than accumulated profits and reserves and the balance shall represent the net value of the surplus of assets and shall be the value of the business for the purposes of the Act.

10.

[(1) The evaluation of property offered as security for loans the value of Rs. [10,000] [Sub-rules (1) and (2) substituted by Punjab Government notification No. 834-I & L.40/44217, dated 5th November, 1940.] and under, shall ordinarily be done by an officer of the Industries Department free of charge.] [Inserted by Punjab Government notification No. 6978-3C-B-57/63646, dated 18th/20th July, 1957.] (2) [The evaluation of property offered as security for loans exceeding Rs. [10,000]

[Sub-rule (2) substituted by Punjab Government notification No. 11430-2CB- 58/3379, dated 26th/31st December, 1958.] shall be done free of charge, by an Evaluation Committee, consisting of the following subject to the condition that all applications shall be accompanied by full particulars of property as required by the questionmare appended to this rule as Schedule A :-

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|--|--|
| (i) For building in urban areas andland underneaththem | District Industries Officer or the Assistant DistrictIndustries Officer holding independent charge of the Districtconcerned and Sub Divisional Officer, P.W.D., B.&R. Branch,of the area concerned. |
| (ii) For land in urban areas, | District Industries Officer or the Assistant DistrictIndustries Officer holding independent charge of the Districtconcerned and Tehsildars. |
| (iii) For land and building in rural areas | District Industries Officer or Assistant District IndustriesOfficer holding independent charge of the District concerned andthe Tehsildars of the Tehsil concerned. |
| (iv) [for Machinery either in Urban or Rural Areas] [Substituted by Punjab Government notification No. G.S.R. 36/P.A.5/35/Ss.21 and 46/Amd. (11)/71, dated 14th May, 1971.] | District Industries Officer or Assistant District IndustriesOfficer holding independent charge of the District concerned and aGazetted Technical Officer concerned of the Department ofIndustries, Punjab. |

The convenor of all the four Committees shall be the District Industries Officer or the Assistant District Industries Officer, holding independent charge of the District concerned, as the case may be.][Provided that in the districts of Amritstar, Ferozepur, Gurdaspur, Kapurthala, Jullundur and Ludhiana, the Evaluation of property offered as security for loans, exceeding rupees five thousand to be advanced for -(1)buildings in urban areas and land underneath them;(2)for land in urban areas;(3)for land and building in rural areas; and(4)for machinery in urban or rural areas;shall be done free of charge, by the Evaluation Committee constituted for each district consisting the following members and three members of the committee shall constitute a quorum at a meeting out of which two members shall be officials.]

Official Members	Non-official Members
1. Amritsar	(1) Senior District Industries Officer (2) Conciliation Officer, Amritsar (3) Representative of Deputy Commissioner
	(1) Dr. Baldev Parkash M.L.A. (2) Shri Jai Inder Singh, M.L.A. (3) Shri Umrao Singh M.L.A (4) Shri Gurdip Singh, Secretary, Punjab MachineryManufacturers Association. (5) Shri Sardari Lal, Kapur

2. Ferozepur	(1) District Industries Officer	(1) Shri Kulbir Singh, M.L.A.
	(2) Labour Officer, Patiala	(2) Shri Chandi Ram, M.L.A.
	(3) Representative of Deputy Commissioner	(3) Guru Jaswant Singh M.L.A.
		(4) Shri Sat Dev, M.L.A.
		(5) Dr. Sham Lal Thapar, M.L.C.
		(6) Shri Ram Nath of M/s. Midha Mal Ram Nath, Ferozepur City.
3. Gurdaspur	(1) District Industries Officer, Batala	(1) Pt. Mohan Lal, M.L.A.
	(2) Labour Officer, Jullundur	(2) Shri Makhan Singh Harruwal, M.L.A.
	(3) Representative of Deputy Commissioner	(3) Shri Kharati Lal Sarin M.L.C.
		(4) Shri Rewal Singh, President, Engineering Association of Northern India, Batala.
		(5) Shri Vishwa Mitter Sekhri President, Industrial Estate Factories Association, Batala.
4. Jullundur	(1) District Industries Officer, Jullundur	(1) Shri Karam Singh Kirti, M.L.A.
	(2) Conciliation Officer, Jullundur	(2) Shri Yash Paul, M.L.A.
	(3) Representative of Deputy Commissioner	(3) Master Gurbanta Singh
		(4) Shri Kartar Singh, M.L.C.
		(5) Shri D.D. Sehgal of M/s. Leader Engineering Works, Jullundur City.
		(6) Shri Satish Mahajan of M/s. Hans Raj Mahajan and Sons Jullundur City.
5. Kapurthala	(1) Assistant District Industries Officer, Kapurthala	(1) Shri Balwant Singh, M.L.A.
	(2) Conciliation Officer, Jullundur	(2) Chaudhri Lakhi Singh, M.L.A.
	(3) Representative of Deputy Commissioner	(3) S. Inderjit Ghai, Secretary, Phagwara Industries Association, Kapurthala
		(4) Shri S.S. Khosla, President, Kapurthala Industries Association, Kapurthala
6. Ludhiana	(1) Senior District Industries Officer, Ludhiana	(1) Lala Dina Nath Aggarwal, M.L.A.
	(2) Conciliation Officer, Ludhiana	(2) Shri Lachhman Singh, M.L.A.
		(3) Shri Satyapal Mittal, M.L.C.

(3) Representative of Deputy
Commissioner

(4) Shri Harbans Singh, Prop. M/s. Deepak Cycle,
Industrial Area 'B', Ludhiana.

(5) Shri Bhagat Ram of M/s. Hosiery Industries
Federation, Ludhiana.]

A

Questionnaire replies to which would be submitted by an applicant demanding a loan under the Punjab State Aid to Industries Act, 1935, for the purpose of valuation of properties offered as security. (1) Owner's name with [address] [Substituted by Punjab Government notification No. G.S.R. 98/P.A.5/35/S.46/Amd.(6)/66, dated 22nd April, 1966.] and district giving particulars of joint owners, if any. (2) Full permanent address. (3) Amount of loan applied for and purpose for which required. (4) Is there any encumbrance on the property and has this been accepted by the Director of Industries? (5) (a) Nature of building and the number of storeys with height of each. (b) Date of construction of each building. (6) Nature of walls with thickness and types of construction. (8) Particulars of roof. (9) Plinth area of each storey, cubic contents of each storey. (10) Area of land and its market value. Has market value been verified by Revenue Officer? (11) Total cost of land and building separately as incurred by owner. (12) Rent of building, if hired. (13) Municipal charges, if any, on the building with assessment value. (14) Cost and kind of water-supply, giving particulars of pumps, number of taps, etc. (15) Description and number of sanitary appliances. (16) Cost and detail of electric installation (number of fan, light and heating points and particulars of motors). (17) Particulars of any building nearby which has been sold recently, giving area and value with name of owner, and date of sale. (18) Particulars of any land which has been sold recently in the vicinity, its area and value and date of sale. (19) What defects, if any, exist to owner's knowledge. (20) The following plans should accompany the application :- (a) Site Plan. (b) Plan of each building, and each storey of each building. (c) Cross section and elevation of each building. Note. - Unless all the particulars requested above are correctly and the necessary plans are supplied, the papers will be returned without further action, causing delay in valuation being carried out. (3) The Director of Industries, Punjab, may in cases where it may be deemed necessary, make confidential enquiries from any bank regarding the financial standing, or the record in the bank of any person, firm or company requiring aid from Government under the Act. Such reports received from the bank shall be treated as confidential by the Director of Industries or the Board of Industries, as the case may be.

11. Repayment.

- The interest payable on the loans advanced under the Act shall be at such rate, as may be fixed by the [State] [Substituted by the Adaptation of Laws Order, 1950 for 'Provincial'.] Government in this behalf from time to time. [Section 46(2)(q)]

12.

The interest shall be payable yearly provided that for sufficient reasons, the yearly payment of interest in any case may be postponed at the discretion of the Director of Industries for a period of one year at a time. The interest so postponed shall be considered added to the amount of the original loan and shall bear the same interest as is charged on the principal amount and shall be recoverable in the same manner as if it had been, a part of the original loan.[The interest, the postponement of which is either refused by the Director of Industries, Punjab or for want of sufficient reasons or the postponement of which is not applied for, shall be considered added to the amount of original loan and shall bear interest of Rs. 7½ per cent per annum.] [Added by Punjab Government notification No. G.S.R. 220/P.A.5/35/S.46/Amd.(2)/64, dated 22nd September, 1964.]

13.

[(a) Subject to the provision of sub-rule (b) of this rule] [Existing rule 13 renumbered as sub-rule (a) and the words 'subject to the provision of sub-rule (b) of this rule' inserted in the beginning thereof by Punjab Government notification No. 1868-CB-56/18006, dated 1st May, 1956. After sub-rule (a) also renumbered a new sub-rule (b) inserted by ibid.], the period of complete repayment of the loan with interest due thereon, shall ordinarily be seven years which in case of loan [upto] [The word 'below' substituted by the words 'up to' and words and figures 'Rs. 5,000 or above' by 'over Rs. 5,000' by Punjab Government notification No. 1689-3CB-57/4028, dated 27th March, 1957.] Rs. 5,000 may on sufficient grounds be extended by the Director of Industries [or Joint Director] [Inserted by Punjab Government notification No. G.S.R. 30-7CB-60/168, dated 12th January, 1960.] [or Joint Director (Village Industries)] [Inserted by Punjab Government notification No. G.S.R. No. 7369-4CB-60/393, dated 5th January, 1961.] on the written request of the borrowers up to a maximum period of 10 years. In the case of loan [over Rs. 5,000] [The word 'below' substituted by the words 'up to' and words and figure 'Rs. 5,000 or above' by 'over Rs. 5,000' by Punjab Government notification No. 1689-3CB-57/4028, dated 27th March, 1957.], however, extension beyond seven years shall not be allowed except with the previous permission of Government. The recovery shall ordinarily start on the expiry of two years from the date of the payment of the loan in the following instalments :-

to be paid at the end of II year	1/12th
to be paid at the end of III year	1/12th
to be paid at the end of IV year	1/6th
to be paid at the end of V year	1/6th
to be paid at the end of VI year	1/4th
to be paid at the end of VII year	1/4th

(b)[In cases where less than 33 per cent of the amount of the loan advanced is to be utilised for the creation of capital assets (viz., land, building and machinery) and the remaining amount on working capital, recovery of the entire loan will be effected within a period of [four] [Existing rule 13 renumbered as sub-rule (a) and the words 'subject to the provision of sub-rule (b) of this rule' inserted in the beginning thereof by Punjab Government notification No. 1868-CB-56/18006, dated

Ist May, 1956. After sub-rule (a) as so renumbered, a new sub-rule (b) inserted by *ibid.*] years in equated annual instalments. The first instalment will be recovered after [two] [Substituted for the words 'three' and 'one' respectively by Punjab Government notification No. 5421-4DSB-61/28597, dated 22nd December, 1961.] years from the date of disbursement of loan] :[Provided that in the case of Schemes where there is a provision for the recovery of loans in a longer period, the period of complete repayment of loan with interest thereon shall not ordinarily exceed 12 years which in case of loans up to 5,000 may on sufficient ground be extended by the Director of Industries [or Joint Director] [Proviso added by Punjab Government notification No. 1689-3-CB- 57/5166, dated the 27th March, 1957.], [or Joint Director (Village Industries)] [Substituted for the words 'three' and 'once' respectively by Punjab Government notification No. 5421-4DSB-61/28597, dated 22nd December, 1961.], Punjab, on the written request of the loanees upto a maximum period of 15 years, but in case of loans over Rs. 5,000 extension beyond twelve years shall not be allowed except with the previous permission of Government. The recovery of loan shall, in such cases, commence after the expiry of two years of grant of the loan in equal annual instalments of the Principal amount and interest, as provided in rule 12] [Added by Punjab Government notification No. GSR.299/P.A.5/35/S 46/Amd.(5) 65, dated 16th December, 1965.] :[Provided that the Director of Industries [or Joint Director] [Proviso added by Punjab Government notification No. 3004-7CB-59/11264, dated 6th June, 1959.] [or Joint Director (Village Industries)] [Substituted for the words 'three' and 'once' respectively by Punjab Government notification No. 5421-4DSB-61/28597, dated 22nd December, 1961.] may, in his sole discretion and on the written request of the borrower when the amount referred to in this sub-rule is below Rs. 5,000 and with the previous sanction of Government when it is Rs. 5,000 or over, extend the due date of repayment of one or more instalments thereof without reference to the sureties so that the total period of repayment of such loan with interest does not in any case exceed five years from the date of disbursement of the loan.][13A. Grant of interest-free loans. - (1) Interest-free loans may be advanced, during the period commencing from Section 17 read with date of publication of the Punjab State Aid to Industries (Amendment) Rules, 1965 in the official Gazette and ending on the 31st December, 1965, to the industrial units functioning in the districts of Amritsar, Ferozepur, Gurdaspur, Kapurthala, Jullundur and Ludhiana for the payment of wages in advance to the labour working in such units. [Section 46(2) and (q)] [Inserted by Punjab Government notification No. G.S.R.-278 P.A.5/65/S.46 Amd.(4)/65, dated the 23rd November, 1965.](2)Notwithstanding anything contained in sub-rules (a) and (b) of rule 13, the recovery of interest-free loans granted under sub-rule (1), shall start on expiry of six months from the date of disbursement thereof and the loan so advanced shall be recovered in four equal quarterly instalments :Provided that in the case of misutilisation of such loan or of default in re-payment of any instalment of such loan on due dates, the entire amount of such loan then due shall become immediately repayable along with interest at the rate of 7½ per cent per annum.

14.

In case where the borrower is unable to pay a particular instalment or instalments at the proper time, the Director of Industries [or Joint Director] [Inserted by Punjab Government notification No. 30-7.C.B.-60/168, dated 12th January, 1960.] [or Joint Director (Village Industries)] [Inserted by Punjab Government notification No. 7369-4CB-60/393, dated 5th January, 1961.] may, for

sufficient recorded reasons, allow an extension in the period of repayment subject to the condition that the maximum period for the repayment of the entire loan does not exceed the maximum period of ten years allowed by rule 13 above. Such instalments as are due but the recovery of which has been postponed under this rule, shall be considered as still forming part of the original loan and shall bear interest and be recoverable in the same manner as the original loan.

15.

The borrower may repay the whole or any portion of the loan before the due date.

16. Notice and Declaration.

(1) Every notice issued under sub-section (1) of section 23 and every order passed under section 27 of the Act may be served on the person to whom it is addressed by sending it to him at the address entered in the deed, by registered post. (2) If any such notice or order is to be served on a firm, it shall be deemed to have been served on such firm, if it is delivered, or posted to, or left at the usual place of abode or business of any member of such firm in the manner prescribed in clause (1) of this rule. (3) If any such notice or order is to be served on a company it shall be deemed to have been served if it is left at, or sent by registered post to, the registered office of the company. (4) [When any loan or instalment or interest thereon falls due and is not paid on or before the due date, the notice to be issued under section 23 shall be in form 'G' and when a loan or instalment or interest has been declared immediately repayable under section 27, the declaration under that section and the notice under section 23 shall be in form 'G-I'. The notice shall be issued under the signatures of the Director of Industries, Punjab or the Deputy Director of Industries, Punjab, or the Assistant District Industries Officer of the district concerned or the Assistant District Industries officer concerned holding independent charge in the district of the erstwhile State of Pepsu or Assistant District Industries Officer, Kulu or Assistant District Industries Officer, Simla, as the case may be.] [Substituted by Punjab Government notification No. G.S.R.- 220/P.A.5/35/S.46/Amd.(2)/64, dated 22nd September, 1964.] [Sections 23, 24 and 46(2)(h) and (i)]

17.

Every declaration issued under sub-section (1) of section 24 of this Act shall be in Form 'H' attached to these rules and shall be issued by the Director of Industries, Punjab [or the Deputy Director of Industries (Development), Punjab] [Added by Punjab Government notification No. 10657-I&C-55/60905, dated 13th October, 1955.] [or the District Industries Officer of the District concerned] [Added by Punjab Government notification No. 10229-3CB-56/78772, dated the 6th November, 1956.] [or the Assistant District Industries Officer concerned holding independent charge in the district of the erstwhile State of Pepsu] [Inserted by Punjab Government notification No. 7312-7CB-59/17798, dated 17th September, 1959.] [or the concerned Sub- Divisional Officer (Civil) in Lahaul and Spiti District] [Inserted by Punjab Government notification No. G.S.R.-147/P.A.5/35/S.46/62, dated 9th August, 1962.] [or Assistant District Industries Officer, Kulu] [Added by Punjab Government notification No. 4139-4CB-60/14340, dated 16th July, 1960.] [or Assistant District Industries Officer, Simla] [Inserted by Punjab Government notification No.

7855f-4CB-60/22781, dated 14th November, 1960.].

18.

The period of of representation against an order issued under section 29 Section 29 of the Act for the refund of the loan shall be one month from the date of the issue of the order. [Section 29]

19. Supply of machinery on hire-purchase system.

- No machinery shall be supplied on the hire-purchase system unless the applicant therefor deposits with the Director of Industries, Punjab, at least 10 per cent of the cost of the said machinery. [Sections 36 and 46(2)(m)]

20.

Until the hiring is terminated, the following provisions shall apply, namely -(1)The hirer shall pay punctually without demand the instalments of rent and amount of interest as specified.(2)The amount of each instalment of rent to be paid for the hire of the machinery and the number of such instalments to be paid before the machinery shall become the property of the hirer shall be fixed by the Director of Industries.(3)The amount of interest, if any, to be paid, with each instalment of rent on the remaining unpaid instalments shall be fixed by the [State] [Substituted by the Adaptation of Laws Order, 1950.] Government from time to time.(4)The hirer shall retain the machinery in his own possession in good and serviceable order and condition, and shall not, without the previous written consent of the Director of Industries make any addition thereto or alteration therein, nor remove the machinery from the premises specified in the application for the supply thereof.(5)The machinery shall remain the sole and absolute property of Government and no transfer thereof or assignment of any right, title or interest therein, or the creation of any mortgage, [encumbrance or any] [Substituted by Punjab Government notification No. G.S.R. 98/PA.5/35/S.46/Amd.(6)/66, dated 2nd April, 1966.] other charge thereon by the hirer shall be effected, and if so effected, shall be void as against Government.(6)All machinery supplied on the hire-purchase system shall, until the hiring is terminated in accordance with the Act, bear a metal plate with the following inscription :-"Notice. - This machinery is the property of the Government of the Punjab and any person who wilfully removes or defaces this plate is liable to be a fine not exceeding Rs. 500/-".(7)The hirer shall permit the Director of Industries or any person authorised by the Director of Industries in this behalf to inspect the machinery at all reasonable times, and the Director of Industries or such other person shall have all such power of entry as may be necessary for the purpose of making an inspection. [Sections 36 and 46(2)]

21.

If the hirer makes default in paying the rent of the machine or any sum payable as interest or any other charges due from him for the supply of such machinery or fails to comply with any of the conditions contained in the agreement, or such as may be imposed, under these rules, the hiring

shall be immediately terminated and thereupon the Director of Industries or any other person authorised by him in this behalf may enter the premises in which the machinery is, for the time being, kept, whether such premises belong to the hirer or not, and seize and take away the same.

22.

The hirer may, however, be permitted to re-purchase the machinery afterwards on such terms and conditions as shall be fixed by the Director of Industries.

23.

The authority which sanctions the supply of machinery on the hire- purchase system shall ordinarily require that Government shall be protected against the total or partial loss of such machinery from fire or any other cause by means of insurance, a mortgage of immovable property of the applicant or his surety or sureties, if any, the personal guarantee of one or more persons or in any other manner as may be deemed suitable in each case. The applicant shall further be required to execute a deed embodying such conditions as may be prescribed for the payment of the balance of the price after deducting the deposit made under Section 36 and the interest or other charges to be incurred thereon. The deed shall contain such other conditions as may be imposed by the Director of Industries in any particular case.

24.

If any machinery supplied on the hire-purchase system is seized and taken away under section 39 of the Act and the hirer exercise his option under section 40 of purchasing the same, he shall pay, in addition to the unpaid balance of the cost thereon, and the cost of any expenses incidental to such seizure and removal, such interest on the remaining unpaid instalments as would have fallen due on the payment of the next instalment of rent.

25.

If the hirer wishes at any time to terminate the hiring of any machinery supplied to him on the hire purchase system, he shall give notice of his intention to the Director of Industries, Punjab, by registered post. The Director within one month of the receipt of this notice shall inspect the machinery or cause it to be inspected in such manner as he may think proper and shall issue orders for the removal of the said machinery.

26.

All notices issued under section 39 shall be in Form I.

27.

All re-payments of loans, interest or other sums due under the Act shall be made at a Government treasury, to the credit of Government in such manner as the Director of Industries may from time to time notify to the parties concerned. The treasury receipt shall be forwarded to the Director of Industries for record in his office in token of the repayment. [Sections 39 and 46(2)(p)]

28. Distribution of profits.

- No recipient of a loan or State Aid under this Act shall pay any dividend or distribute or take out any profits in excess or such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Punjab, in each case no long as any part of the loan or State aid remains unpaid or the guarantee remains in force. The balance of the profits after setting aside proper amount 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 utilised in such manner as the [State] [Substituted by the Adaptation of Laws Order, 1950.] Government may approve [Section 33 and 46(2)(k)].

29. Inspections.

(1)The Director of Industries or such Officer or Officers as may be authorised by him to inspect the premises, books, machinery, stock, stores and other belongings and things connected with any industrial undertaking in respect of which a loan or a machinery under the hire-purchase system has been granted under the Act, may for the purposes of such inspections enter such premises at any hour between sunrise and sunset, provided that when any building used as a human dwelling is entered under this rule, due regard shall be paid to the social and religious sentiments of the occupier and that before any apartment in the actual occupancy of any female, who according to custom does not appear in the public is entered under this rule, notice shall be given to her that she is at liberty to withdraw, and every reasonable facility shall be afforded to her for so doing.(2)Every such officer may require the recipient of a loan or a machinery under the hire-purchase system, to hand over to him for examination all books kept in connection with the industrial undertaking in respect of which the loan or the machinery was granted.(3)The accounts of any industrial business or enterprise in respect of which a loan under this Act has been granted shall, unless specifically exempted by the Director of Industries, be examined and audited at least once in every year by a registered auditor or by such officer as the Director of Industries may appoint, and it shall be the duty of such auditor or Officer, as the case may be, to outline the method on which the books of the particular industrial business or enterprises shall be kept.(4)The Director of Industries, Punjab, shall call for a return once in a year certified by an auditor or by such other officer as may be designated in this behalf, and the return shall show -(a)a full and complete statement of the assets and liabilities;(b)a valuation of the assets as prescribed by rule 8 above; and(c)a working of manufacturing account showing :(i)the outturn of the industrial business or enterprise with the cost per unit of such outturn;(ii)the profit or loss on the marketing of the products produced; and(iii)details of expenditure. [Section 26 and 46(2)(j)]

30. Appointment of Directors by Government.

- In cases where the [State] [Substituted by the Adaptation of Laws Order, 1950.] Government prima facie reasons to believe that there is justification for the appointment of its own directors or for the exercise of control over the conduct of industry to which State aid has been given, it shall give one month's previous notice to the borrower or the recipient of the State aid to show cause against the appointment of Government Directors or the exercise of Government control over the affairs of the industry and if such borrower or recipient of the State aid is unable to give a reply to the satisfaction of [State] [Substituted by the Adaptation of Laws Order, 1950.] Government, it may appoint such person or officials as it may deem necessary, as Directors to exercise control over the affairs of the industry to safeguard the interests of Government. [Sections 34 and 46(2)(1)]

31.

If the extent of the aid applied for exceeds Rs. one lac [and in any other case in which Government consider it necessary] [Added by Punjab Government notification No. 101/Legislative/53, dated the 2nd November, 1953.], the Director of Industries shall publish a notice in manner prescribed in the rule following, calling upon any person who objects to the grant of the aids applied for to state his objections at a time or place to be specified, and shall hear such objections and make such enquiry as may be necessary. [Section 46 (2)(r)]

32.

The notice under the preceding rules shall be published by the Director of Industries in at least three consecutive issues of at least two daily newspapers published in the Punjab and once in the Punjab Gazette. The notice shall specify the name and address of the applicant for State aid and the nature of the business or enterprise in respect of which the application is made. It shall state that anyone desiring to make any objection to the State aid may do so by presenting a statement of his objections in writing at the office of the Director of Industries within thirty days of the publication of the notice. The statement shall furnish details regarding the name, address and calling of the objector and his grounds of objections. The Director shall hear the objections, if any, at such time and place as he may notify and deal with it as he may think fit.

33.

In any case in which State aid is granted under the Act, amounting to two lakhs of rupees or upwards, the [State] [Substituted by the Adaptation of Laws Order, 1950.] Government shall, and in any other case may, by the appointment of a Government director or 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.

34.

The grant of subsidy or forms of State aid, other than the grant of loans and the machinery on hire purchase, shall be governed by such rules or directions as may be issued generally or in individual cases, by the [State] [Substituted by the Adaptation of Laws Order, 1950.] Government after previous consultation with the Board. Instructions for filling up the form of application for loan under the Punjab State Aid to Industries Act, 1935

- 1. The enclosed form of application for loan is required to be filled up by all types of applicants, viz., an individual, Joint Hindu Family, Firm, Co-operative Society, or a Joint Stock Company. Each type of applicant(s) should, therefore, put a cross x against the portions not applicable to him/them in order to avoid confusion.**
- 2. The required particulars should be carefully and legibly filled in.**
- 3. Out of the words village/cottage/small-scale and electricity/scheme/diesel/gas/manual against item 4(ii) and (iii), the words not applicable may be crossed.**
- 4. In case the space available against particular item is not sufficient for filling in the required particulars, an extra sheet may be added at the end of the application for the purpose.**
- 5. Names of the company, property insured, the period of insurance and the instalments of the premiums paid, etc., may be given against item 17.**
- 6. Total proposed investment against item 6 will be the sum total of the amount of loan required and the amount to be invested by the applicant(s) from his/their own resources.**
- 7. The affidavit forms mentioned in N.B.1 under item 15(iv) and in N.B. under item 15(v) and the form of certificate required under item 15(vi) can be had from the Office of the District Industries Officer concerned.**
- 8. In case any difficulty is experienced in filling the application form, the Sub-Inspector/Inspector of Industries and Supplies and the District Industries Officer/Assistant District Industries Officer concerned may be consulted**

[Form 'A'] [Original Form A, omitted by Punjab Government Notification No.

5770-3CB-S-57/12391, dated the 20th June, 1957 and this new Form prescribed under rule 4, substituted by, *ibid.*] Department of Industries, Punjab Form of application for loan by an individual or Joint Hindu Family concern or firm or Joint Stock Company or Co-operative Society, under the Punjab State Aid to Industries Act, 1935 To The Director of Industries, Punjab The District Industries Officer Dear Sir, I/We

_____ beg to apply for a loan of Rs. (Rupees _____) only for the development of _____ Industry/Industries, under the Punjab State Aid to Industries Act, 1935. The required particulars are given below :

1. Name and style of the Applicant's (s) concern
alongwith principal place of business and location. ..

2. Whether Sole Proprietorship/Joint
Hindu Family/Partnership/Company/Co- operative ..
Society.

N.B. 1.- In case of an individual or sole proprietorship
concern, the following particulars should be given:-

- (i) Name, parentage and caste ..
- (ii) Complete residential address ..

N.B. 2.- In case of a Joint Hindu Family concern,
the following particulars should be given : -

- (i) Name, parentage, caste of the Karta ..
- (ii) Complete residential address of the Karta ..
- (iii) Name, parentage and age of each member of
Joint Hindu Family and his relation with the Karta ..

N.B. 3.- In case of Firm, the following
particulars should be given :-

- (i) Whether registered under the Indian Partnership
Act, 1932 ..
- (ii) Number and date of registration ..
- (iii) Year of Establishment ..
- (iv) Registered Address ..
- (v)(a) Number of partners on the date of application ..
- (b) List of partners with their names, parentage,
caste and complete addresses ..
- (vi) An attested copy of the partnership deed ..
- (vii) Power of attorney in original by all the partners
in favour of the partner authorised to observe all the ..
legal formalities

N.B. 4.- In case of Company, registered under the Indian Companies Act, 1956 the following particulars should be given :-

- (i) Whether private or Public limited ..
- (ii) Number and date of Registration ..
- (iii) Registered address ..
- (iv) Year of Establishment or Registration ..
- (v) Authorised Capital ..
- (vi) Issued Capital ..
- (vii) Subscribed Capital ..
- (viii) Paid-up Capital ..
- (ix) A certified copy of the Memorandum and Article of the Association ..
- (x) A copy of the Certificate of Incorporation duly certified ..
- (xi) A copy of the certificate to commence business in case of a company other than a Private Limited Company ..
- (xii) A copy of the certificate from the Registrar, Joint Stock Companies, under section 72 of the Indian Companies Act, if the Registered Office has been shifted from areas now included in Pakistan ..
- (xiii) A copy of the prospectus or statement in lieu of the prospectus in case of Companies other than private Limited Companies ..
- (xiv) An attested copy of the resolution of the Board of Directors of the Company authorising the Company to apply for loan. ..
- (xv)(a) Number of Directors on the date of application ..
- (b) List of Directors as on the date application along with their names and complete particulars and address
- (xvi) A copy of the resolution of the Board of Directors of a Company duly attested by the Secretary and countersigned by an officer not below the rank of Assistant Registrar of Co-operative Societies in which the office of the Society is situated authorising him to observe all the legal formalities on behalf of the Company.

In case the Secretary of the Company himself is authorised to complete the legal formalities the resolution should be attested by the President or Chairman of the Company.

(xvii) Whether the consent of the Government of India has been obtained for creating a charge or a lien on the assets of the Company under section 3(2) of the Capital Issues (Control) Act, 1947, if so, an attested copy of the permission should be attached.

N.B. 5.- In case of a Co-operative Society registered under the Punjab Co-operative Societies Act, [1961] [Substituted by Punjab Government notification No.

G.S.R.220/PA.5/35/S.46/Amd.(2)/64, dated 22nd September, 1964.], the following particulars should be given :-

- (i) Number and date of Registration
- (ii) Registered address
- (iii) Whether Limited or unlimited liability
- (iv)(a) Number of members on the date of application
- (b) List of members with their names parentage, caste and complete address
- (v)(a) Subscribed Capital
- (b) Paid-up Capital
- (vi)(a) Certificate Registration
- (b) A copy of the registered by-laws duly certified by the Secretary of the Society/Inspector, Co-operative Societies
- (vii)(a) Liability assumed by each member
- (b) Total liability assumed by all the members
- (c) Maximum Credit Limit
- (d) Date of sanction of Maximum Credit Limit
- (viii) Basis of working
- (Joint Production or otherwise)
- (ix) Activities carried on Co-operative Basis
- (x) An attested copy of the Resolution of the Co-operative Society authorising the Society to apply for loan
- (xi) A copy of the resolution of the Board of Directors

of a Co- operative Society duly attested by the Secretary of the Co-operative Society and countersigned by an officer not below the rank of an Assistant Registrar, Co-operative Societies, of the area concerned stating the name and designation of the person authorised to complete legal formalities on behalf of the Society

In case the Secretary of the Society himself is authorised to complete the legal formalities, the resolution should be attested by the President or Chairman of the Board of Directors

3.A list of Branch Officers and Associate or Subsidiary concerns, if any

4.Industry -

(i) Name

(ii) Type,

.. Village/Cottage/Small scale

(iii) Motive Power use

Electricity/Steam/Diesel/Gas/Water/Manual

(iv) Average number of workers employed per month

-

(a) Skilled

(b) Unskilled

(c) Monthly wages paid

(v) Types of goods produced

(vi) Existing annual manufacturing capacity with value

5.(i) Whether the Industrial Establishment is registered under the Indian Factories Act, 1948

(ii) Whether the licence from Government of India, under the Industries (Registration and Development) Act, 1951, is required or has been obtained.

6. Total Proposed Investment-

(i) Amount of loan required

(ii) Amount to be invested by the applicant(s) from his/their resources which should not be less than 25 per cent of the total proposed investment.

7. Purchase of Machinery on Hire Purchase System-

(i) Total cost of the Machinery

(ii) Amount required for the purchase of machinery

(iii) Amount to be paid as advance by the applicant which should not be less than 10 per cent of the total

cost of Machinery

8. Reasons for not availing of banking facilities

9. Whether any of your applications for loan is pending with the Department/Punjab Financial Corporation, or was rejected by the Department/Punjab Financial Corporation? If so give detailed particulars

10. Purpose for which loan is required-

(i) Fixed Capital

(a) Land

(b) Building

(c) Machinery

(Complete details with quotations from three firms of standing should be given)

(ii) Working Capital

(Detailed requirements should be given)

11. Assets (Capital Investment) (on the date of submission of application)-

(i) Land

(ii) Building

(iii) Machinery with complete details

(iv) Raw Materials

(v) Stock-in-process

(vi) Finished Goods

(vii) Bank balances with details

(viii) Cash

(ix) Stock and Securities

(x) Other assets

Total Rs.

12. Liabilities-

Loans Subsidy Grant

(i) Amount of Loan/Subsidy/Grant obtained from the -

(a) Department of Industries, Punjab

(b) Rehabilitation Finance Administration

(c) Punjab Financial Corporation

(d) Commercial Banks

(e) Co-operative Banks

- (f) Other sources, if any
- (ii) Purpose
- (iii) Date of receipt
- (iv) Security offered
- (v) Balance outstanding
- (vi) Details of all mortgages and other charges, if any,
on the present and future assets of the applicant(s)

Total liabilities Rs. _____

13. Attested/Certified copies of-

- (i) Balance sheets
- and (ii) Profit and loss statements for the last three
years

14. Availability of facilities-

- (i) Raw-materials
- (ii) Transport
- (iii) Marketing

15. Nature of security offered-

- (i) Land -
 - (a) Name of owner (applicants/surety/sureties)
 - (b) Area
 - (c) Urban/Rural
 - (d) Boundary
 - (e) Name of village/Town/City
 - (f) Annual Land Revenue
 - (g) Value
 - (h) Copies of Aks Shajra and latest jamanbandi to be
enclosed
- (ii) Plot in Industrial Area/other locality -
 - (a) name of Industrial Area/ Locality
 - (b) Name of purchaser
 - (c) No. of plot purchased
 - (d) Area and dimensions of the plot
 - (e) Boundary
 - (f) Cost of Plot
 - (g) Whether possession of the plot has been taken
 - (h) Whether any building has been constructed. If so,
givedetails of original and depreciated cost
 - (i) Area to be covered immediately

(j) Original Deed of Conveyance to be enclosed

(iii) Building -

(a) Name of the owner (applicant(s)/surety/sureties)

(b) Whether residential house/factory building/shop

(c) Urban/Rural

(d) Boundary

(e) Name of Village/Town/City

(f) Rental value in case it is situated within Municipal limits

(g) Amount of Property/House Tax paid yearly

(h) Present Market Value

(i) Plan of the building and original title/deeds to be enclosed

(iv) Plant and Machinery -

Name of the owner (applicant(s)/surety/sureties)

Sr. No. Description Make Date of purchase Book value Depreciated cost Net Value

1	2	3	4	5	6	7
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						

N.B. 1. - An affidavit regarding the ownership of the machinery being offered as security on the prescribed form available from the office of the District Industries Officer concerned along with original voucher and cash receipts, should be attached. N.B. 2. - In case the loan is required for the construction of factory building and purchase of machinery under the scheme for the development of Industries in the Industrial Areas of Punjab, the cost of the plot and the depreciated cost of factory building, if any, already constructed as also the depreciated cost of the machinery installed, if any, will be adjusted towards the 1/4th contribution to be made by the applicant(s)

himself/themselves.(v)Personal Security -

S. No. Name of Surety Description of property owned Urban/Rural Market value

1

2

N.B. - An affidavit on the prescribed form, duly attested by a Magistrate or an Oath Commissioner, from each of the sureties regarding the immovable property, owned, should be attached with the application(s).

16.A declaration from the applicant(s)/sureties to the effect that the property, viz., land, building and machinery offered as security is free from all encumbrances

17.Has the immovable property offered as security been adequately insured ? If so, give details

18. Experience-

(i) Technical Qualifications

(ii) Practical experience in the industry

19.Income-tax Clearance Certificate - From the Income-tax Officer of the area for the last three years.

1. I/We agree to accept the loan under the terms and conditions governing the grant of loans under the Punjab State Aid to Industries Act, 1935 and also agree to abide by all the rules framed thereunder from time to time.

2. I/We declare that the statements made and the particulars given above are true and correct to the best of my/our knowledge and belief, and that there are no encumbrances other than those mentioned above on the land/building/machinery offered as security for the loan applied for, which shall not be transferred by way of sales, gift, exchange, mortgage, or otherwise, till the complete repayment of the loan.

Signature of the Surety/Sureties.

Signature of the application(s) _____

Date

Date

N.B. - In case of Firm Company/Co-operative Society, the application should be signed by the authorised partner/Managing Director or Managing Agents and the Chairman or President and Manager or Secretary as the case may be. Acknowledgement Receipt Received from

_____ application for the grant of a loan of Rs.

_____ under the Punjab State Aid to Industries Act, 1935 on

_____ 199 . The application has been registered under No

_____ which may please be quoted in all future correspondence

to facilitate reference. District Industries Officer Form 'B' This mortgage deed made this

_____ day of _____ 19 . Between (A) The

_____ Ltd., a Company incorporated in [-] [Omitted by Punjab

Government notification No. G.S.R. 220/P.A./5/35/S.46/Amd. (2)/64, dated 22nd September,

1964.] India and registered under the *Indian Companies Act, 1913, with registered office at

(B)

A Society registered under Act XXI of 1860 with principal place of business at

(C)(1)

_____, son of _____,

caste(2) _____, son of _____,

caste(3) _____, son of _____, casteresiding at _____, and himself constituting the sole or

any proprietor _____ of the _____

being all the partners _____ and carrying on business at _____ in the name and style of

_____ (Hereinafter himself its, his/themselves their legal representatives, assigns, jointly and severally referred to as the the

mortgagor) of the first part.And secondly, the Governor of the Punjab through the Director of Industries, Punjab (hereinafter referred to as Government) of the second part :-Whereas one of the Mortgagors has assured Government that he is sold owner of

_____ situate in

_____ at _____ District

_____ (the said property being detailed or described more particularly in Schedule I to this deed) and that the same is not mortgaged or charged or otherwise encumbered in any way whatsoever.And whereas the mortgagor has applied under section 17 of the Punjab State Aid to Industries Act, 1935, to the Director of Industries, Punjab for a loan of Rs.

_____ for the purpose of _____ and to secure the same by mortgage of properties referred to in the said Schedule I.And the Director of Industries, Punjab (with the previous sanction of _____) has accordingly agreed to grant the said loan to the Mortgagor subject to the conditions hereinafter appearing.*See now the Companies Act, 1956.Now This Indenture Witnesseth That -

1. In pursuance of the said agreement and for the purpose of in part securing the said sum of Rs. _____ (the receipt whereof the mortgagor hereby acknowledges). The Mortgagor hereby covenants with Government to pay to Government before the _____ day of _____ 19 ___, the said sum of Rs. _____ with interest thereon at the rate of _____ per cent, per annum and for so long as any part thereof shall remain owing, to pay interest at the rate aforesaid on the money for the time being so remaining owing, provided nevertheless that -

(i)if the mortgagor shall pay the said sum of Rs. _____ by the following instalments that is to say, the first instalment of Rs. _____ on the _____ day of _____ 19 ___, second instalment of Rs. _____ on the _____ day of 19 ___ and further subsequent instalments of Rs.

_____ on the _____ day of _____ 19____ in each year following until the whole sum due shall be paid and shall with each such instalment pay interest at the rate aforesaid on the amounts remaining due immediately before such payment, then subject to the terms and conditions hereinafter contained, Government will accept payment of the said sum of Rs. _____ by such instalments and will not take any steps to obtain payment of the said sum of Rs. _____ by auction sale possession, realisation of security hereby conveyed or otherwise;(ii)it shall be lawful for the Director of Industries, Punjab, at his sole discretion and at the request of the mortgagor to extend this date by a period not exceeding five years ;(iii)it shall be lawful for the mortgagor at any time to repay the whole or any portion of the said loan by instalments exceeding the instalments referred to above or prior to the said due date or prior to the end of the extended period (if granted) ;(iv)the said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935 and any rules made or to be made thereunder ;[(iv-A) The mortgagor shall utilize the loan amount properly within a period of two months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Punjab or any officer authorised by him from time to time in this behalf.] [Inserted by Punjab Government Notification No. GSR 220/PA5/35/S.46/Amd.(2)/64 dated 22-9-1964.](v)The mortgagor shall not except with the approval of the said Director of Industries previously obtained withdraw from the Industrial concern for the purpose of which the said loan is hereby granted, any profits (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Punjab, in each case so long as any part of the loan or State aid remains unpaid or this deed remains in force;(vi)[If the mortgagor shall make default in compliance with any of the terms or conditions of this deed, other than the repayment of any instalment of the loan or interest or any part thereof, the entire amount of loan withdrawn by him and outstanding against him shall become immediately payable and from the date of default the Government shall be entitled to charge interest at an enhanced rate of 1½ per cent per annum and without prejudice to other rights and remedies of the Government, the Director of Industries or any other authorised by the Government in this behalf, may issue a notice under section 23 or section 27 of the Act and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction. Where the default is in the repayment of any instalment of the loan hereby granted and the money hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such money and such interest shall be payable, the mortgagor shall pay interest at the enhanced rate aforesaid for the period of default and on the amount in default only] [Substituted by Punjab Government notification No. G.S.R.99/P.A.5/35/Ss.21 and 42/Amd. (14)/76, dated 16th August, 1976.].

2. And in further pursuance of the said agreement and for the considerations aforesaid, the mortgagor as beneficial owner doth hereby grant, convey and assign unto Government -

(a)All the properties mentioned in the said Schedule I and delineated in map or plan hereto annexed : (b)All the assets, present and to be hereafter acquired by the Mortgagor whether the said assets present or future be in his own name or that of the including [-] [Omitted by

Punjab Government notification No. G.S.R. 26/P.A.5/35/S.46/Amd.1070 dated 20th February, 1970.] the premises and machinery whether existing or to be purchased with the aid of loan hereby granted or with any portion thereof, and whether referred to in Schedule I or not; to have and to hold the same into and to the use of Government, its successors and assigns for ever subject to the proviso for redemption hereafter contained :

3. Provided Always that when the hereinafter mentioned covenants for payment shall have been satisfied and the principal sum together with all interests due thereon shall have been entirely paid, Government as Mortgagee shall at the request and cost of the Mortgagor reconvey the properties or remainder thereof as he shall direct.

4. And in further pursuance of the agreement and covenants referred to above, the Mortgagor hereby agrees to insure against fire up to the full amount of the loan the entire machinery and stock in Mortgagors and if Government so desires all other property hereby mortgaged and that the policy of Insurance shall be taken out in the joint name of the Mortgagor and the Punjab Government and that it shall be deposited with the Director of Industries, Punjab. The Mortgagor shall pay all premiums and at his own cost renew the policy every year during the currency of the loan, failing which Government may pay the same and such premiums shall form part of the loan secured with interest under this mortgage.

5. It is further agreed by the Mortgagor that, notwithstanding anything hereinbefore contained, Government or the Director of Industries, Punjab may by the appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State aid has been given as shall suffice in their or his opinion to safeguard the interests of Government in such industrial concern, and that the Mortgagor shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

6. It is further agreed that the stamp on this instrument shall be borne by the Mortgagor and same shall be presented for registration by the Mortgagor and registered at his own cost.

I

(above referred to) N.B. - The form of execution by the Mortgagor should be one in the appropriate form as follows.

1. (In the case of a firm) - Signed by the above named firm of * (Name or names of firm or partners thereof)

Through Partner of the said firm. In the presence of - Witness (1) Occupation Address
 . Witness (2) Occupation Address. N.B. - The Director of Industries should be satisfied from a partnership deed or otherwise that the executant has full powers as such to bind the firm and attention is called to section 58(d) of the Indian Partnership Act, 1932; failing which a special power-of-attorney should be demanded from absent partners in favour of the persons signing which should be retained with Government's copy of the mortgage.

2. (In the case of Society) -

The seal of the (the Society hereinbefore referred to) was hereto affixed by the Virtue of a resolution of Governing Committee No., dated the day of 199 . In the presence of - Member of the Government Committee. Member of the Government Committee. Member of the Government Committee.

3. (In case of a Company) -

The seal of the Company, Limited was affixed by virtue of the resolution of the Board, No. dated the In the presence of - Director Director Director N.B. - In case of either a Society under Act XXI of 1850 or II of 1912 or a Company incorporated under the Companies Act, the Director of Industries should require a copy of the resolution above referred to certified correct (either by one of the members of the Governing Committee, the Society or by the Director or Secretary of the Company, as the case may be, authorising the particular executant or executants to sign or to affix the seal. It is, however not necessary for the persons mentioned above always to execute the mortgage itself and it is sometimes not convenient for them to do so in person as it involves all the officers in question appearing before the Sub- Registrar and bringing with them the seal of the Society or Company. If they so desire, they may execute a special power-of-attorney authorising any respectable person - preferably one of their own body to do all things necessary for the single transaction, viz., 'the completion of the mortgage' which will be referred to the preamble such power-of-attorney. In that case the power-of-attorney will require to be executed on paper stamped at Rs. 2 and, though it need not be registered or authenticated by the Sub-Registrar (vide Circular No. 49/3076/1-30 from the Inspector General of Registration Punjab dated 7th August, 1933). The Director of Industries may require the same to have been attested under section 85 of the Indian Evidence Act. Where the mortgage is executed by an attorney it will (if for a term exceeding one year) be presented for registration by the Attorney. Signed on behalf of the Governor of Punjab by : In the presence of - Director of Industries, Punjab, Mortgagee (1) Witness
 ----- (2) Witness ----- Form 'C' This Mortgage deed made this

..... day of 19 , Between : (A) The Ltd., a Company incorporated in India and registered under the *Indian Companies Act, [1956] [Substituted by Punjab Government Notification No. G.S.R. 220/P.A.5/35/S- 46/Amd.(2)/64, dated 22nd September, 1964.], with registered office at (B) a Society registered under Act; XXI of 1860 with principal place of business at (C) (1), son of, caste (2), son of, caste (3), son of, caste residing at and himself constituting the sole or only proprietor/being all the partners of the and carrying on business at in the name and style of (hereinafter on behalf of himself/themselves, its, his/their heirs, legal representatives assigns jointly and severally referred to as the Mortgagor) of the first part: And Secondly - (1), son of, caste (2), son of, caste (3), son of, caste (hereinafter on behalf of himself/themselves, his/their heirs, legal representatives, and assigns, hereinafter referred to as the surety/sureties of the second part. And Thirdly, the Governor of Punjab through the Director of Industries (hereinafter referred to as Government) of the third part. Whereas the Mortgagor has assured Government that he is sole owner of situated in at district (the said property being detailed or described more particularly in Schedule I to this deed) and that the same is not mortgaged or charged or otherwise encumbered in any way whatsoever :- And Whereas the surety has assured Government that he is the sole proprietor/proprietors of the situate at District (the same being more particularly described in Schedule II to this deed) And that the said property likewise is not mortgaged or charged or otherwise encumbered in any way whatsoever. And Whereas the mortgagor and the surety have jointly and severally agreed whenever called upon by Government to do so, to insure the whole or any part of all properties hereinafter referred to against fire throughout the period of the mortgage. And Whereas the mortgagor has applied under section 17 of the Punjab State Aid to Industries Act, 1935, to the Director of Industries, Punjab, for a loan of Rs. for the purpose of and to secure the same by mortgage of properties referred to in the said Schedule I and the Surety has/Sureties have agreed in accordance with rule 7 of the rules made under section 46 of the Punjab State Aid to Industries Act, 1935, to give as a security for the payment of the said loan, the mortgage hereinafter contained upon the properties referred to in the said Schedule III. And the Director of Industries, Punjab (with the previous sanction of) has accordingly agreed to grant the said loan to the mortgagor subject to the conditions hereinafter appearing. Now This Indenture Witnesseth That :

1. In pursuance of the said agreement and for purpose of in part security the said sum of Rs. (the receipt whereof the mortgagor hereby acknowledges) the mortgagor hereby covenants with the Government to pay to Government before the day of 19 the said sum of Rs. with interest thereon at the rate of Rs. per cent per annum and for so long as any part thereof shall remain owing, to pay interest at the rate aforesaid on the moneys for the time

being so remaining owing, provided nevertheless that :

(i)if the Mortgagor shall pay the said sum of Rs. by the following instalments.First Instalment of -Rs. on the day of 19Second Instalment of -Rs. on the day of 19Third Instalment of -Rs. on the day of 19Fourth Instalment of -Rs. on the day of 19Fifth Instalment of -Rs. on the day of 19Sixth Instalment of -Rs. on the day of19until the whole sum due shall be paid and shall with each such instalment pay interest at the rate aforesaid on the amounts remaining due immediately before such payment, then subject to the terms and conditions hereinafter contained, Government will accept payment of the said sum of Rs. by such instalments and will not take any steps to obtain payment of the said sum of Rs. by action, sale possession, realisation of security hereby conveyed or otherwise ;(ii)it shall be lawful for the Director of Industries, Punjab, at his, sole discretion and at the request of the mortgagor to extend this date by a period not exceeding five years without reference to the Surety;(iii)that it shall be lawful for the mortgagor at any time to repay the whole or any portion of the said loan exceeding the instalments referred to above prior to the said due date or prior to the end of the extended period (if so granted);(iv)the said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935, and any rules made or to be made thereunder;[(iv-A) The mortgagor shall utilize the loan amount properly within a period of two months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Punjab, or any officer authorised by him from time to time in this behalf] [Inserted by Punjab Government notification No. G.S.R. 220/P.A.5/35/S- 46/Amd(2)/64 dated 22nd September, 1964.](v)The mortgagor shall not except with the approval of the said Director of Industries, previously obtained withdraw from the Industries concern for the purpose of which the said loan is hereby granted any profits (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Punjab, in each case so long as any part of the loan or State Aid remains unpaid or this deed remains in force;(vi)[If the mortgagor shall make default in compliance with any of the terms or conditions of this deed, other than the repayment of any instalment of the loan or interest or any part thereof, the entire amount of loan withdrawn by him and outstanding against him shall become immediately payable and from the date of default the Government shall be entitled to charge interest at an enhanced rate of 13½ per cent per annum and without prejudice to other rights and remedies of the Government, the Director of Industries or any officer authorised by the Government in this behalf, may issue a notice under section 23 or section 27 of the Act and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction. Where the default is in the repayment of any instalment of the loan hereby granted and the money hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such money and such interest shall be payable, the mortgagor shall pay interest at the enhanced rate aforesaid for the period of default and on the amount in default only] [Substituted by Punjab Government Notification No. G.S.R. 99/P.A.5/35/Ss/21 and 46/Amd(14)/76, dated 16th August, 1976.].

2. And in further pursuance of the said agreement and for the consideration aforesaid the Mortgagor as beneficial owner doth hereby grant, convey and assign up to Government -

(a)All the properties mentioned in the said Schedule I, and those delineated in the map or plan hereto annexed;(b)All the assets, present and to be hereinafter acquired by the mortgagor whether the said assets now or in future be in his own name or that of the including [-] [Omitted by Punjab Government Notification No. G.S.R.26/P.A.5/35/46/Amd.(10)/70, dated 20th February, 1970.] the premises and machinery whether existing or to be purchased with the aid of the loan hereby granted or with any portion thereof and whether referred to in Schedule I or not;to have and to hold the same upto and to the use of Government his successors and assigns for [ever] [Substituted by Punjab Government Notification No. G.S.R. 220/P.A.5/35/S.46/Amd.(2)/64, dated 22nd September, 1964.] subject to the proviso for redemption hereinafter contained.

3. And This Indenture further witnesseth that in further pursuance of the said agreement and as security for the said sum of Rs. and interest, the surety as beneficial owner doth hereby grant, convey and assign unto Government all and several the properties referred to in the said Schedule II and those delineated in the map or plan hereto attached to have and to hold the same unto and to the use of Government its successors and assigns for ever subject to the proviso for redemption hereinafter contained and the surety doth further covenant that if the Mortgagor shall make default in the payment of the loan hereby granted and the moneys hereby secured or any part thereof or of any interest thereon the date or dates on which the same shall be or become payable, then the whole of the said loan and interest whether added to the principal and itself being interest or not or such part as may then or thereafter be due and unpaid shall become due and payable by the sureties jointly and severally and Government shall be at liberty to recover the same from the surety or from the property hereby mortgaged by sale thereof or by a notice under the Punjab State Aid to Industries Act as Government may think fit and that whether Government shall have pursued all or any of its remedies against the Mortgagor or his property hereby mortgaged or not.

4. Provided Always that when the hereinbefore mentioned covenants for payment shall have been satisfied and the principal sum together with all interest due thereon shall have been entirely paid, Government as mortgagee shall at the request and cost of Mortgagor and Surety, respectively reconvey the properties or remainder thereof as they respectively shall direct.

5. And in further pursuance of the agreement and covenants referred to above, the Mortgagor and the surety do hereby agree to insure the entire machinery and stock in the said and if so required all other properties hereinafter referred to against fire the full extent of the loan and that the policy of insurance shall be taken out in the joint name of the Mortgagor (or surety) and the Punjab Government and that it shall be deposited with the Director of Industries, Punjab. The Mortgagor or Surety shall pay all premiums and at his own cost renew the policy every year during the currency of the loan failing which Government may pay the same and add such premiums and all expenses with interest to the loan hereby secured.

6. It is further agreed by the Mortgagor and Surety that notwithstanding anything hereinbefore contained, Government or the Director of Industries, Punjab, may by the appointed of its own Directors or otherwise exercise such control over the conduct of the industries to which State Aid has been given as shall suffice in their or his opinion to safeguard the interests of Government in such industrial concern, and that the Mortgagor shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

7. It is further agreed that the stamp on this instrument shall be borne by and the same shall be presented for registration by and at the cost of the Mortgagor.

8. It is further agreed that until the entire amount is repaid with interest, the Mortgagor will undertake free training of apprentices selected by the Director of Industries, Punjab not exceeding three in number, at any one time, in the work carried on by the Mortgagor and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

I

(Above referred to)

II

(Above referred to) In witness whereof the parties have hereunto set their hands :-(a) In the case of a firm :- Signed by the above-named firm of *(Name or Names of Firm or partner thereof) through partner of the said firm. N.B. - The Form of Execution by the Mortgagor or Surety should be one in the appropriate form as follows :- N.B. - The Department should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and in this connection attention is called to section 58(d) of the Indian Partnership Act, 1932. Failing such power in the partnership deed a special power-of- attorney should be demanded from absent partners in favour of the persons signing which should be retained with Government's copy of the mortgage. In the presence of -Signature Occupation Address Signature Occupation Address (b) (In the case of a Society) - The seal of the (the society hereinafter referred to) was hereunto affixed by virtue of Resolution of the Governing Committee, No dated the day of 19 . In the presence of -Member of the Governing Committee. Member of the Governing Committee. Member of the Governing Committee. (In the case of a Company) :- The seal of the Company, Limited, was affixed by virtue of the resolution of the Board, No dated day of 19 . In the presence of -Director Director Secretary N.B. - In the case of either a Society under Act XXI of 1860 or II or 1912 or a Company incorporated under the Companies Act, the Department should require a copy of the resolution above referred to certified correct (either by one of the member, of the Governing Committee of the Society or by a Director or Secretary of the Company, as the case may be) authorising the particular executant or executants to sign or to affix the seal. It is, however, not necessary for the persons mentioned above invariably to execute the instrument itself and it is sometimes not convenient for them to do so in person as it involves all the officers in question appearing before the Sub- Registrar and bringing with them the seal of the Society or Company. If they so desire, they may execute a special power-of-attorney authorising any respectable person - preferably one of their own body - to do all things necessary for the single transaction, viz., "the completion of the instrument" which will be preferred to in the preamble to such power-of-attorney. In that case the power of attorney will require to be executed on paper stamped at Rs. 2 and though it need not be registered or authenticated by the Sub-Registrar, vide Circular No. 49/3076/1-30 from the Inspector General of Registration, Punjab dated 7th August, 1933. The Department may require the same to have been attested under section 85 of the Indian Evidence Act. Where the mortgage is executed by an attorney, it will be presented for the registration by the Attorney. Signature of Surety or Sureties. Signed on behalf of the Governor of Punjab. Dy. Director of Industries, Punjab. In the presence of -

Witnesses 1.
2.

[Form 'D'] [Substituted by Punjab Government Notification No. G.S.R. 19/P.A.5/35/S. 46/Amd (8)/68, dated 20th February, 1968.] This agreement made on the day of 19 Between (A) The Ltd., a Company incorporated in India and registered under the Indian Companies Act, 1956, with registered office at (B), a Society

registered under Act XXI of 1860, with principal place of business at(C)(1) son of(2)..... son of(3)..... son ofresiding at and himself constituting the sole or only proprietor being all the partners of the carrying on business at in the name and style of (hereinafter on behalf of himself/themselves, its, his/their, heirs, legal representatives, assignees, jointly and severally referred to as The Principal of the first part.And Secondly -....., son of, residing of (hereinafter on behalf of himself, his heirs, legal representatives and assignees referred to as the surety) of the second part.And Thirdly, the Governor of Punjab through the Director of Industries (hereinafter referred to as the Government) of the third part.Whereas the Principal has applied under section 17 of the Punjab State Aid to Industries Act, 1935, to the Director of Industries, Punjab, for a loan of Rs. for the purpose of and Shri has agreed in accordance with rule 7 of the rules made under section 46 of the Punjab State Aid to Industries Act, 1935, to stand as surety for the repayment of the said loan.And whereas the Director of Industries, Punjab, has accordingly agreed to grant a loan of Rs. to the Principal subject to the conditions hereinafter appearing for construction of factory building (Rs.), purchase of machinery (Rs.) and working capital (Rs.) for the development of industry at, districtNOW THIS AGREEMENT WITNESSETH THAT

1. In pursuance of the said agreement and for purpose of in part securing the said sum of Rs. (the receipt whereof the Principal hereby acknowledges) the Principal hereby covenants with the Government to pay to Government before the day of 19 , the said sum of Rs. with interest thereon at the rate of Rs.. per cent per annum and for so long as any part thereof shall remain owing to pay interest at the rate aforesaid on the moneys for the time being so remaining owing provided nevertheless that -

(i)if the Principal shall pay the said sum of Rs. by the following instalments :-First instalment of Rs. on the day of 19 .Second instalement of Rs. on the day of 19 .Third instalment of Rs. on the day of 19 .Fourth instalment of Rs. on the day of 19 .Fifth instalment of Rs. on the day of 19 .Sixth instalment of Rs. on the day of 19 .Until the whole sum due shall be paid and shall with each such instalment pay interest at the rate aforesaid on the amounts remaining due immediately before such payment, then subject to the terms and conditions hereinafter contained, Government will accept payment of the said of Rs. by such instalments and will not take any steps to obtain payment of the said sum of Rs.;(ii)it shall be lawful for the Director of Industries, Punjab, at his sole discretion and at the request of the Principal to extend this date by a period not exceeding five years without reference to the surety;(iii)that it shall be lawful for the Principal at any time to repay the whole or any portion of the said loan exceeding the instalments referred to above prior to the said due date or prior to the end of the extended period (if so granted);(iv)the said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935, and any rules made or to be made thereunder;(v)the Principal shall utilize the loan amount properly within a period of two

months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Punjab or any officer authorised by him from time to time in this behalf;(vi)[If the Principal shall make default in compliance with any of the terms or conditions of this deed, other than the repayment of any instalment of the loan or interest or any part thereof, the entire amount of loan withdrawn by him and outstanding against him shall become immediately payable and from the date of default the Government shall be entitled to charge interest at the enhanced rate of 13½ per cent per annum and without prejudice to other rights and remedies available to the Government, the Director of Industries or any officer authorised by the Government in this behalf may issue a notice under section 23 or section 27 of the Act and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction. Where the default is in the repayment of any instalment of the loan hereby granted and the money hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such money and such interest shall be payable, the Principal shall pay interest at the enhanced rate aforesaid for the period of default and on the defaulted amount only] [Substituted by Punjab Government No. G.S.R. 99/P.A.5/35/Ss 21 and 46/Amd(14)/76, dated 16th August, 1976.](vii)If the Principal shall make default in compliance with any of the terms or conditions of this deed or in the repayment of any instalment of the loan hereby granted and the moneys hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such moneys and such interest shall be payable, the entire amount of the loan withdrawn by him and outstanding against him shall become immediately payable and from the date of default, Government shall be entitled to charge interest at an enhanced rate of 7½ per cent per annum and without prejudice to other rights and remedies of Government, the said Director of Industries or any officer authorised by the Government in this behalf may issue a notice under section 23 of the said Act, and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a civil court in the exercise of its ordinary original jurisdiction.

2. And this agreement further witnesseth that in further pursuance of the said agreement and as security for the said sum of Rs. and interest, the surety doth hereby agrees that if the Principal shall make default in the payment of the loan hereby granted or any part thereof or any interest thereon on the date or dates on which the same shall be or become payable, then the whole of the said loan and interest whether added to the principal and itself being interest or not or such part as may then or thereafter be due and unpaid, shall become due and payable by the surety and Government shall be at liberty to recover the same from the surety by a notice under the Punjab State Aid to Industries Act, 1935, as Government may think fit.

3. It is further agreed by the Principal and surety that notwithstanding anything hereinafter contained, the Director of Industries, Punjab, may by the appointment of its own Directors or otherwise exercise such control over the

conduct of the industries to which State aid has been given, as shall suffice in his opinion to safeguard the interest of Government in such industrial concern and that the Principal shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

4. It is further agreed that the stamp on this instrument shall be borne by the Principal.

5. It is further agreed that until the entire amount is repaid with interest the Principal will undertake free training of apprentices selected by the Director of Industries, Punjab, not exceeding three in number at any one time, in the work carried on by the Principal and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

In Witness whereof the parties have hereunto set their hands in the year of the Republic of India.(a)(in the case of a firm) :-Signed by the above-named firm ofN.B. - The form of execution by the Principal or surety should be one in the appropriate form as follows :-N.B. - The Department should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and in this connection attention is called to section 58(d) of the Indian Partnership Act, 1932. Failing such power in the partnership deed a special power of attorney should be demanded from absent partners in favour of the persons signing which should be retained with Government's copy of the agreement.In the present of
-SignatureOccupationAddressSignatureOccupationAddress(b)(in the case of a Society) :-The seal of the (the Society hereinafter referred to) was hereunto affixed by virtue of a resolution of the Government Committee No., dated the, day ofIn the presence of -Member of the Governing CommitteeMember of the Governing CommitteeMember of the Governing Committee(c)(in the case of a Company) :-The seal of the, Company Limited, was affixed by virtue of the resolution of the Board No., date the, day of 19 .In the presence of -DirectorDirectorSecretaryN.B. - In the case of either a Society under Act XXI of 1860 or II of 1912 or a Company incorporated under the Companies Act, the Department should require a copy of the resolution above referred to certified correct (either by one of the members of the Governing Committee of the Society or by a Director or Secretary of the Company, as the case may be) authorising the particular executant or executants to sign or to affix the seal. It is, however, not necessary for the persons mentioned above invariably to execute the instrument itself and it is sometimes not convenient for them to do so in person as it involves all the officers in question appearing before the Sub- Registrar and bringing with them the seal of the Society or Company. If they so desire, they may execute a special power-of-attorney authorising any respectable person - preferably one of their own body - to do all things necessary for the single transaction viz., "the completion of the instrument" which will be referred to in the preamble to such power-of-attorney. In that case the power-of-attorney will require to be executed on a requisite stamped paper and though it need not be registered or authenticated by the Sub- Registrar - vide

Circular No. 49/3076/1-30 from the Inspector General of Registration, Punjab, dated the 7th August, 1933. The Department may require the same to have been attested under section 85 of the Indian Evidence Act. Signature of the Surety. In the presence of -

Witnesses 1.

2.

Witnesses 1.

2.

Signed for and on behalf of the Governor of Punjab. In the presence of -

Witnesses 1.

2.

Director of Industries, Punjab. Form 'E' This Agreement made on the day of 19 ..Between :-"..... a Society registered under the Punjab Co-operative Societies, [1964] [See Punjab Co-operative Societies Act, 1961.], with principal place of business at (hereinafter referred to as the Society which expression shall, where the context so admits, include its successor, and assigns) of the first part. And Secondly the Governor of Punjab through the Director of Industries, Punjab/District Industries Officer hereinafter referred to as Government of the second part. Whereas the Society has applied under section 17 of the Punjab State Aid to Industries Act, 1935, to the Director of Industries, Punjab/District Industries Officer for a loan of Rs. for the purpose of And Whereas the Society has been established with the object of facilitating the operation of industry and whereas the total amount of liability of the members of the Society in accordance with the bye-laws of the Society or rules under the Punjab Co- operative Societies Act, [1964] [Substituted by Punjab Government Notification No. G.S.R. 220/P.A.5/35/S.46/Amd(2), 164, dated 22nd September, 1964.], is not less than twice the amount of loan applied for. And Whereas the Director of Industries, Punjab/District Industries Officer, has accordingly agreed to grant a loan of Rs. to be utilised for to the Society subject to the conditions hereinafter appearing. Now this Agreement Witnesseth that :-

1. (i) In pursuance of the said agreement and for purpose of the part securing the said sum of Rs. (the receipt whereof the Society hereby acknowledges) the Society hereby covenants with the Government to repay to Government, the said sum of Rs. with interest thereon at the rate of Rs. per cent per annum computed from in the following instalments :-

Instalments -First instalment of the sum of Rs. representing the interest on the loan at the said rate for a period of one year commencing from to shall be payable on the day of Second instalment of Rs. out of the principal amount shall be payable on the day of Third instalment of Rs. out of the principal amount shall be payable on the day of Fourth instalment of Rs. out of the principal amount shall be

payable on the day ofFifth instalment of Rs. out of the principal amount shall be payable on the day ofSixth instalment of Rs. out of the principal amount shall be payable on the day ofSeventh instalment of Rs. out of the principal amount shall be payable on the day ofAnd the Society shall with each of the second to seventh instalments pay interest at the rate aforesaid accrued on the entire amount of loan remaining due immediately before such payment :Provided that the Director of Industries, may, for sufficient reasons, postpone the payment of interest on the due date or a period of one year at a time. If the payment of interest is so postponed, the amount of interest so postponed shall be considered added to the principal amount then remaining due and shall be payable by the Society to the Government with interest at the rate aforesaid and the amount of each instalment of principal then remaining due shall be increased by the amount equal to the amount of interest so postponed divided by the number of instalments as have not become due at that time :Provided further that the Director of Industries, may, at the written request of the Society extend the due date of payment of any instalment of the principal so however, that the total period of complete repayment of the loan with interest does not exceed ten years from the date of disbursement of the loan.(ii)that it shall be lawful for the society at any time to repay the whole or any portion of the said loan exceeding the instalment referred to above prior to the said due date or prior to the end of the extended period (if granted);(iii)the said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935, and the rules made or to be made thereunder;[(iii-a) The Society shall utilize the loan amount properly within a period of two months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Punjab, or any officer authorised by him from time to time in this behalf] [Substituted by Punjab Government Notification No. G.S.R. 220/P.A.5/35/S.46/Amd(2)/64, dated 22nd September, 1964.];(iv)[If the Society shall make default in compliance with any of the terms or conditions of this deed, other than the repayment of any instalment of the loan or interest or any part thereof, the entire amount of loan withdrawn by it and outstanding against it shall become immediately payable and from the date of default the Government shall be entitled to charge interest at an enhanced rate of 13 per cent per annum and without prejudice to other rights and remedies available to the Government, the Director of Industries or any officer authorised by the Government in this behalf may issue a notice under section 23 or section 27 of the Act and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction. Where the default is in the repayment of any instalment of the loan hereby granted and the money hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such money and such interest shall be payable, the Society shall pay interest at the enhanced rate aforesaid for the period of default and on the defaulted amount only] [Substituted by Punjab Government Notification No. G.S.R. 99/P.A.5/35/Ss/21 and 46/Amd(14)/76, dated 16th August, 1976.].

2. It is further agreed by the Society that notwithstanding anything hereinbefore contained, the Director of Industries, Punjab, may, by the appointments of its own Directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given, as shall

suffice in his opinion to safeguard the interests of Government in such industrial concern and that the Society shall forthwith comply with all recommendations made by the Director of Industries, or the Director so appointed.

3. It is further agreed that until the entire amount of loan is repaid with interest, the Society will undertake free training of apprentices selected by the Director of Industries, Punjab, not exceeding three in number, at any one time, the work carried on by the Principal and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

In Witness Whereof the parties have hereunto set their hands in the year of the Republic of India. Signed for an on behalf of the above-named Society. The seal of the (the Society hereinbefore referred to) was hereunto affixed by virtue of a resolution of the Managing Committee No., dated the day of In the presence of -Member of the Managing Committee. Member of the Managing Committee. Member of the Managing Committee. In the presence of :-

1_____ Signature for and on behalf of the Governor of Punjab by

Witnesses

2_____ Director of Industries, Punjab.

Form 'F' This Mortgage and Deed made this day of, 19 between. (A) The Limited, a company incorporated in India and registered under the [Indian Companies Act, 1956, with registered office at] [See now the Companies Act, 1956.] (B) A Society registered under Act XXI of 1860 with Principal place of business at (C) (1), son of, caste (2), son of, caste (3), son of, caste residing at, and

Himself constituting the sole or only proprietor of the
being all the partners

carrying on business at ----- in the name and style
of -----

Hereinafter | himself themselves | | its, his their | local representatives assigns, jointly and severally referred to as the Mortgagor of the first part :-

And Secondly, the Governor of Punjab, through the Director of Industries (hereinafter referred to as Government) of the second part : Whereas the Mortgagor has assured Government that he is sole owner of Plot No. measuring situated in the Industrial area, at District (the said property being detailed or described more particularly in Schedule I to this deed) and that the same is not mortgaged or charged or otherwise encumbered in any way whatsoever except in favour of Government under the

deed of conveyance datedAnd Whereas the Mortgagor has applied under section 17 of the Punjab State Aid to Industries Act, 1935, to the Director of Industries, Punjab, for a loan of Rs. for the purpose of and to secure the same by mortgage of the property referred to in the said Schedule I and the factory buildings to be constructed and the machinery to be installed therein.And the Director of Industries, Punjab (with the previous sanction of) has accordingly agreed to the grant of loan of Rs. to the Mortgagor in the manner and subject to the conditions hereinafter appearing.NOW THIS INDENTURE WITNESSETH THAT

1. (i) The entire amount of Rs. including Rs., advanced as loan and Rs. deposited by the Mortgagor shall be deposited in the State Bank of India/Punjab National Bank, Limited, in the Joint names of and the Mortgagor. The Mortgagor shall not be entitled to withdraw the amount from the said deposit without the authorisation of but D.I.O. shall have the right to operate the joint account without the consent or authority of the mortgagor.

(iii)The mortgagor shall be allowed to utilise the sum of Rs. out of the said deposit for the construction of factory buildings in three instalments. The first instalment consisting of Rs. shall be withdrawn for undertaking the laying of foundation and the making of construction up to plinth level, the second instalment of Rs. for building the construction up to roof level and the third instalment of Rs., for roofing, flooring, plastering and door fitter like things. Similarly, he shall be allowed to utilise the sum of Rs. out of the said deposit for the purchase of machinery in three instalments the first instalment of Rs. for payment of advance to the machinery suppliers, the second instalment of Rs.for taking delivery of the machinery on receipt of the R/Rs. and the third instalment of Rs. for the installation of the machinery.(iv)The mortgagor shall repay the loan in five annual instalments as hereunder :-

1. Rs.

2. Rs.

3. Rs.

4. Rs.

5. Rs.

In addition the mortgagor shall with each instalment pay interest at the rate of per cent per annum on the amounts due immediately before such payment. The first instalment shall fall due on the expiry of the two years of the date of the opening of the account. The interest on the loan shall

accrue from the date of the opening of the account in the Bank. No interest shall, however, be recovered alongwith the first instalment and the interest accruing during the first two years will be spread over the remaining period of the recovery.(v)It shall be lawful for the Director of Industries, Punjab, at his sole discretion and at the request of the mortgagor to extend the time for payment of any instalment by a period not exceeding four years.(vi)It shall be lawful for the mortgagor at any time to repay the whole or any portion of the said loan in excess of the instalment referred to above or prior to the due date(vii)The said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935, and any rules made.(viii)[The mortgagor shall utilize the loan amount properly within a period of two months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Punjab, or any Officer authorised by him from time to time in this behalf] [Substituted by Punjab Government Notification No. G.S.R. 220/P.A.5/35/S.46/Amd.(2)/64, dated 22nd September, 1964.](ix)The mortgagor shall not, except with the approval of the said Director of Industries previously obtained, withdraw from the industrial concern for the purpose of which the said loan is hereby granted, any profits or declare or distribute dividends in excess of such percentage rate upon the amount of the capital of the Industrial concern as may be determined by the Director of Industries, Punjab, in each case, so long as any part of the loan or the State Aid remains unpaid or this deed remains in force. If the mortgagor misuse the amount withdrawn by him from the amount of Rs. deposited in the Bank or fails to comply with any of the conditions herein contained and to be performed and observed by him the amount contributed by him towards the said deposit shall without prejudice to other rights and remedies of Government stand forfeited to Government. If any amount contributed by him remains unspent after the factory building has been constructed and/or the machinery has been purchased and installed, the same shall be returned to the mortgagor.(x)[If the mortgagor shall make default in compliance with any of the terms or conditions of this deed, other than the repayment of any instalment of the loan or interest or any part thereof, the entire amount of loan withdrawn by him and outstanding against him shall become immediately payable and from the date of default the Government shall be entitled to charge interest at an enhanced rate of 13 per cent per annum and without prejudice to other rights and remedies available to the Government, the Director of Industries or any officer authorised by the Government in this behalf may issue a notice under section 23 or section 27 of the said Act and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction. Where the default is in the repayment of any instalment of the loan hereby granted and the money hereby secured or any part thereof together with an interest that may be due thereon on the date or dates on which such money and such interest shall be payable, the mortgagor shall pay interest at the enhanced rate aforesaid for the period of default and on the defaulted amount only] [Substituted by Punjab Government Notification No. G.S.R. 99/P.A.5/35/5S/21 and 65Amd.(14)/76, dated 16th August, 1976.].

3. Provided always that when the covenants for payment contained herein shall have been satisfied and the principal sum together with all interest due thereon shall have been entirely paid, Government as mortgagor shall at the request and cost of the mortgagor reconvey the properties mortgaged or remained there as he shall direct.

- 4. And in further pursuance of the agreement and covenants referred to above the mortgagor hereby agrees to insure against fire up to the full amount of the loan the entire machinery and stock in mortgagor's And if Government so desire all other property hereby mortgaged and that the policy of insurance shall be taken out in the joint name of the mortgagor and the Punjab Government and that it shall be deposited with the Director of Industries, Punjab. The mortgagor shall pay all premiums and at his own cost renew the policy every year during the currency of the loan, failing which Government may pay the same and such premiums shall form part of the loan secured with interest under this mortgagor.**
- 5. The mortgagor shall be required to put up engraved metal plates of the prescribed size containing the words 'pledged to Government' at his own cost on every machine and shall be liable to pay as liquidated damages a sum not exceeding Rs. 500 if he wilfully removes or defaces the plate.**
- 6. It is further agreed by the mortgagor that notwithstanding anything hereinbefore contained, Government or the Director of Industries, Punjab, may by the appointment of its own Directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given, as shall suffice in their or his opinion to safeguard the interest of Government in such industrial concern, and that the mortgagor shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.**
- 7. It is further agreed that any plant or machinery and property mortgaged hereby whether specified in the deed as security or not of the borrower during the currency of the loan shall until the loan is repaid in full with interest thereon, remain hypothecated to the Government as Collateral security and any transfer thereof, assignment of any right, title or interest therein or the creation of any mortgage, encumbrance or any other charge thereon by the mortgagor shall be void against Government unless it has been made with the previous written consent of sanctioning authority.**
- 8. It is further agreed that until the entire amount is repaid with interest, the mortgagor will undertake free training of apprentices selected by the Director of Industries, Punjab, not exceeding three in number, at any one time in the**

work carried on by the Mortgagor and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

9. It is further agreed that the stamp on this instrument shall be borne by the mortgagor and the same shall be presented for registration by the mortgagor and registered at his own cost.

10. Government shall be entitled to enforce the mortgage subject to its rights under the deed of conveyance dated without suing on the basis of the said deed of conveyance.

I

(Above referred to)

1. (i) Serial No. of Plot.

(ii) Name of Industrial Area. (iii) Name of the plot in acres/squares yards. (iv) Detailed dimensions, viz., length, breadth and diagonals, etc. in case of irregular size of plot. (v) Description of boundaries on the :- (a) North bounded by. (b) South bounded by. (c) East bounded by. (d) West bounded by. II. Factory buildings constructed or to be constructed and other assets including [***] [Omitted by Punjab Government Notification No. G.S.R. 26/P.A/5/35/S.46/Amd(10)/70, dated 20th February, 1970.] share, machinery and equipment existing or to be purchased. In witness whereof the parties have hereunto set their hands on the dates, respectively, mentioned against their signatures in the Year of the Republic of India.

(1) (In case of an Individual) Shri

Signed by the above named mortgagor. Proprietor of

In the presence of :- *I. 1. Signature.

2. Occupation.

3. Address.

II. 1. Signature.

2. Occupation.

3. Address.

by the Mortgagor should be one through Signed by the above-named in the appropriate form as follows :- firm of **Name or names of firm or partners Partner of the said firm thereof. In the presence of :-Witness (1)Occupation.Address.Witness (2)Occupation.Address.N.B. - The Director of Industries should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and attention is called to section 58(d) of the Indian Partnership Act, 1932 failing which a special Power-of-Attorney should be demanded from absent partners in favour of the persons signing which should be retained with Government's copy of the Mortgage.

2. (In the case of a Society) :-

The Seal of the (the society hereinbefore referred to) was hereunto affixed by virtue of a resolution of Governing Committee No., dated the, day of, 19 .In the presence of :-Member of the Governing Committee.Member of the Governing Committee.Member of the Governing Committee.

3. (In the case of company) :-

The seal of the Company, Limited, was affixed by virtue of the resolution of the Board, No., dated the day of,, 19 .In the presence of :-Director.Director.Secretary.N.B. - In the case of either a Society under Act XXI of 1860 or II of II of 1912 or a company incorporated under the Companies Act, the Director of Industries should require a copy of the resolution above referred to certified correct (either by one of the members of the Government Committee of the Society or by a Director or Secretary of the Company as the case may be) authorising the particular executant as to sign or to affix the seal. It is, however, not necessary for the persons mentioned above always to execute the mortgage itself, and it is, sometime, not convenient for them to do so in person as it involves all the officers in question appearing before the Sub- Registrar and bringing with them the seal of the society or company. If they so desire they may execute a special Power-of-Attorney authorising any respectable person preferably one of their own body to do all things necessary for the single transaction, viz., the completion of the mortgage which will be referred to in the preamble to such Power-of-Attorney. In that case the Power-of-Attorney will require to be the executed on paper stamped at Rs. 2 and though it need not be registered or authenticated by the Sub-Registrar (vide circular No. 49/3076/1-30, from the Inspector-General of Registration, Punjab, dated the 7th August, 1933). The Director of Industries may require the same to have been attested under section 85 of the Indian Evidence Act where the mortgagee is executed by an Attorney it will (if for a term exceeding one year) be presented for registration by the Attorney.Singed on behalf of the Governor of Punjab.Director of Industries, Punjab.Mortgagee.

In the presence of -

(1)

Witnesses.

(2)

Form 'G'Department of Industries, PunjabNotice under Section 23 of the Punjab State Aid to Industries Act, 1935_____No. DL-21-----, dated Shimla/Chandigarh, the

-----19Whereas -

----- was/were granted a loan of Rs----- under section 21 of the Punjab State Aid to Industries Act, 1935 and whereas the said----- executed a deed on the -----19 , in which among other things he/they covenanted to pay the said loan in -----instalments with interest at the rate of -----per cent per annum;And whereas a sum of Rs----- was due to be paid on the -----19 , and whereas the said -----has failed to pay the aforesaid sum contrary to the covenants agreed upon in the said deed and the entire loan has become immediately repayable ;Now, therefore, I hereby give notice to the said----- to pay to me the sum of Rs----- with interest at the rate of----- per cent per annum from-----till realisation, on or before the-----19 , in default of which a declaration will be issued under sub-section (1) of section 24 of the Act that the said sum of Rs----- with interest thereon is due and that the property described in the schedule attached to the said deed is liable for the satisfaction of the said debt.Director of Industries,

Punjab.Dated-----To-----

'G'Department of Industries, PunjabDeclaration under section 27 of the Punjab State Aid to industries Act, 1935

No. DL-2/ Dated 19

Whereas Shri/ M/s ----- was/were granted a loan of Rs.-----under section 21 of the Punjab State Aid to Industries Act, 1935, for the purpose

and which amount was disbursed to the said Shri/

M/s.-----on-----19 , after due execution of a mortgage deed under section 21 of the said Act and its registration with the Sub-Registrar/Joint Sub-Registrar--

And whereasit has been observed that| the above-mentioned loanthe conditionso on which the| | has not

been applied to the purpose for which it was

granted.-----loan was granted have not been duly fulfilled.

I, therefore, hereby declare that the said| said amountbalance| | of Rs.----- has become immediately repayable under section 2 the said Act and give notice to the said Shri/M/s----- pay to me this amount together with interest due thereon at----- percent from-----19, up to the date of payment by the -----19 , failing which a notice under section 23 of the said Act will be issued for its recovery.Director of Industries,

Punjab,Dated-----Shri/M/s-----

G-1] [Inserted by Punjab Government Notification No. G.S.R. 220/PA. 5/35/S. 46/Amd(2)64, dated 22nd September, 1964.]Department of Industries, PunjabDeclaration-cum-Notice under Section 27 of the Punjab State Aid to Industries Act, 1935

No. DI/2/ Dated 19

Whereas

Shri/M/s.-----
was/were granted a loan of Rs-----under section 21 of the Punjab State Aid to Industries Act, 1935 for the
purpose-----
which amount was disbursed to the said Shri M/s.

-----on-----19 , after due execution of a mortgage deed/agreement under section 21 of the said Act and its registration with the Sub-Registrar/Joint Sub-Registrar.And whereas it has been observed that the above-mentioned loan has not been applied to the purpose for which it was granted, or the conditions on which such loan was granted have not been duly fulfilled.Now, therefore, I hereby declare that the said amount/balance of Rs----- has become immediately repayable under section 27 of the said Act and give notice to the said

Shri/M/s.-----
to pay to me the sum of Rs-----with interest at the rate
of-----per cent per annum from----- till realisation, on
or before the ----- 19, in default of which a declaration will be issued under sub-section (1) of section 24 of the Act that the said sum of Rs----- with interest thereon is due and that the property described in the schedule attached to the said deed is liable for the satisfaction for the said debt.Director of Industries, Punjab

-----Deputy Director of Industries,
Punjab-----District Industries Officer
-----Assistant District Industries Officer

-----To-----
'H'Department of Industries, PunjabNotificationDeclaration under section 24 of the Punjab State Aid to Industries Act, 1935

No. DL-2/ dated| SimlaChandigarh| | the 19

Whereas a notice was served on-----
-----on the -----19 , under section 23 of the Punjab State Aid to Industries Act, 1935, calling upon the said-----to pay to me the sum of Rs----- with interest thereon at the rate of----- per cent per annum from----- till date of final payment and whereas the said sum has not been paid in full, I hereby declare that the sum of Rs-----with further interest thereon at the rate of-----per cent per annum from----- till date of final payment is due from the said----- and that the property described in the attached schedule is liable for the satisfaction of the said debt.Director of Industries, Punjab.Dated-----19.Form 'T'Form of Notice Under Section 39Whereas
-----was assisted in the purchase of the machinery mentioned in the enclosed schedule, on the hire-purchase system, andWhereas the
said-----paid----- percentage of the price, leaving a balance of

Rs----- and agreed to pay this balance by-----
 andWhereas the said----- failed to comply with
 this/these-----condition(s) by not having paid----- in consequence of which
 failure the entire balance of the price amounting to Rs----- and interest thereon, is
 immediately repayable.Now, therefore, I hereby give notice to the said----- to pay
 me, the sum of Rs----- within 16 days from this notice, in default of which
 the hiring shall be terminated and the machinery mentioned in the schedule shall be seized and
 disposed of in such manner as I may consider reasonable.Director of Industries,
 Punjab.Dated-----

Schedule 6

[Form 'J'] [Added by Punjab Government Notification No. 8572-I & C-55/19458-A, dated the 1st
 August, 1955.]This Mortgage Deed made this -----day
 of-----

19.BETWEEN(A)The-----Limited Company
 in-corporated in India and registered under the Indian Companies Act, 1956 with registered office
 at------(B)-----, a
 Society registered under the Punjab Co-operative Societies Act, [1961] [See now the Punjab
 Co-operative Societies Act, 1961.] with principal place of business
 at------(C)(1)-----son
 of-----Caste------(2)-----son
 of-----Caste------(3)-----son
 of-----Caste-----residing ----- and
 himself constituting the sole or only proprietor----- of
 the-----being all the
 partners-----
 carrying on business
 at-----in the name
 and style
 of-----

hereinafter| himself its, his|themselves their| | , heirs and legal representatives assign jointly and
 severally referred to as the Mortgagor of the first part.

And secondly, the Governor of Punjab, through the Director of Industries (hereinafter referred to as
 Government) of the Second part.Whereas the Mortgagor has assured Government that he is sole
 owner of Plot No. -----, measuring-----, situated
 in-----, at----- District ------(the said
 property being detailed or described more particularly in schedule I to this deed.And whereas the
 mortgagor purchased the said plot from-----, vide sale deed
 registered on----- and has assured Government that the same is not mortgaged
 or charged or otherwise encumbered in any way.And whereas the Mortgagor has applied under
 section 17 of the Punjab State Aid to Industries Act, 1935, to the Director of Industries, Punjab, for a
 loan of Rs----- for the development charges, construction/extension of factory building, for
 the development of----- industry and to secure the same by mortgage of the

property referred to in the said Schedule I and the factory buildings to be constructed thereon and the machinery to be installed, therein. And the Director of Industries, Punjab (with the previous sanction of Punjab Government) has accordingly agreed to the grant of loan of Rs-----, to the Mortgagor for the construction and/or extension of factory building, in the manner and subject to the conditions hereinafter appearing. NOW THIS INDENTURE WITNESSETH THAT -

1. (i) The Mortgagor has deposited Rs.----- in cash in the State Bank of India-----, on account of the contribution to be made by him, the cost of the plot viz., Rs.----- already purchased and/or the depreciated cost of the factory building already constructed, viz., Rs.----- has been accounted for towards the contribution to be made by the Mortgagor.

(ii) The entire amount of----- including Rs.----- advanced as loan and Rs.----- deposited by the Mortgagor shall be deposited in the State Bank of India-----, in the Joint names of District Industries Officer -----, and the Mortgagor. The Mortgagor shall not be entitled to withdraw the amount from the said deposit without the authorisation and counter signature of----- but the said District Industries Officer, shall have the right to operate the joint account without the consent or authority of the mortgagor. (iii) The mortgagor shall be allowed to utilise such sum not exceeding Mortgagor's own contribution as may be determined by the District Industries Officer from the bank deposit referred to in clause 1(ii) of this deed for payment of the cost of development charges of the area in which the plot to be built upon is situated. In case the cost of development charges is higher than the amount drawn out of the said bank deposit, the balance amount of the cost of development charges as determined by the District Industries Officer in consultation with the District Evaluation Committee, will be met by mortgagor from his own resources and shall be reimbursed to the mortgagor out of the bank deposit as soon as the amount is actually spent on the development of the area and the mortgagor furnishes a proof of such expenditure to the satisfaction of the District Industries Officer. If the actual amount spent on the development of the area is less than the amount drawn by the mortgagor from the joint account, the mortgagor shall repay the difference to the District Industries Officer for being re-deposited in the said joint account. The balance amount in the said bank deposit shall be utilised in three instalments each to be determined by the District Industries Officer. First instalment shall be utilized by the mortgagor for raising the construction of the factory building up to the plinth level, second instalment shall be utilized for raising the building up to the roof level and third instalment for roofing and flooring and installation of electricity and other allied objects. (iv) The mortgagor shall repay the loan of Rs.----- in the following eleven annual instalments on or before the dates mentioned against each :- (1) Rs.----- on the ----- day of ----- 19 . (2) Rs.----- on the ----- day of ----- 19 . (3) Rs.----- on the ----- day of ----- 19 . (4) Rs.----- on the ----- day of ----- 19 . (5) Rs.----- on the ----- day of ----- 19 . (6) Rs.----- on the ----- day of ----- 19 . (7) Rs.----- on the ----- day of ----- 19 . (8) Rs.----- on the ----- day of ----- 19 . (9) Rs.----- on the ----- day of ----- 19 . (10) Rs.----- on the ----- day of ----- 19

(11)Rs.----- on the ----- day of ----- 19 .In addition the mortgagor shall with each instalment pay interest at the rate of 5 per cent per annum on the amount of loan at any time outstanding against him. The mortgagor shall pay interest at the said rate of 5 per cent per annum on the first anniversary of the date on which the deposit mentioned in clause 1(ii) is made in the State Bank of India and, thereafter, he shall along with each instalment pay interest at the said rate on all sums due immediately on or before such payment.(v)It shall be lawful for the Director of Industries, Punjab, at his sole discretion and at the request of the mortgagor to extend the time for payment of any instalment as provided in the rules framed under the Punjab State Aid to Industries Act, 1935.It shall be lawful for the mortgagor at any time to repay the whole or any portion of the said loan in excess of the instalments referred to above or prior to the due date of any instalment.(vi)The said loan is made under the provisions of the Punjab State Aid to Industries Act, 1935, and the rules made thereunder.[(vi-A) The mortgagor shall utilize the loan amount properly within a period of two months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Punjab, or any officer authorised by him from time to time in this behalf.] [Added by Punjab Government Notification No.G.S.R.220/PA.5/35/S.46/Amd(2)/64, dated the 22nd September, 1964.](vii)(a)the factory building shall be got constructed/extended by the Mortgagor in accordance with the plan approved by the Executive Engineer, P.W.D., B. and R. Branch, concerned according to the bye-laws governing the construction of factory building in the Industrial Area. The Mortgagor shall also get the approval of the Municipal Committee or the Local Authority concerned for the construction and/or the extension of factory building.(b)The development of the plot and/or the construction/extension of the factory building shall be the sole responsibility of the Mortgagor [* * * *] [Deleted by Punjab Government Notification No.G.S.R.220/PA.5/35/S.46/Amd(2)/64, dated the 22nd September, 1964.](viii)The mortgagor shall not, except with the approval of the said Director of Industries previously obtained, withdraw from the industrial concern for the purpose of which the said loan is hereby granted any profits or declare or distribute dividends in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries. Punjab, in each case, so long as any part of the loan or State Aid remains unpaid or this deed remains in force.(ix)[If the mortgagor shall make default in compliance with any of the terms or conditions of this deed, other than the repayment of any instalment of the loan, interest or any part thereof, the entire amount of loan withdrawn by him and outstanding against him shall become immediately payable and from the date of default the Government shall be entitled to charge interest at an enhanced rate of 13 per cent per annum and without prejudice to other rights and remedies available to the Government, the said Director of Industries or any officer authorised by the Government in this behalf may duly issue a notice under section 23 or section 27 of the Act and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction. Where the default is in the repayment of any instalment of the loan hereby granted and the money hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such money and such interest shall be payable, the mortgagor shall pay interest at the enhanced rate aforesaid for the period of default and on the defaulted amount only] [Substituted by Punjab Government Notification No. G.S.R.99/PA 5/35/Ss.21 and 6/Amd(14)76, dated the 16th August, 1976.].

2. And in further pursuance of the said agreement and for the considerations aforesaid the mortgagor as beneficial owner doth hereby grant, convey and assign unto Government.

(a)All the properties mentioned in the said Schedule I, together with buildings constructed and the machinery installed or that may hereafter be constructed or installed thereon.(b)All the assets, present and to be hereafter acquired by the mortgagor whether the said assets now or in future be in his own name or that

of-----including
[-] [Omitted by Punjab Government Notification No. G.S.R.26/P.A.5/35/S.46/Amd(10)/70, dated the 20th February, 1970.] the premises and machinery whether existing or to be purchased with the aid of the loan hereby granted or with any portion thereof and whether referred to in Schedule I or not, to have and to hold the same unto and to the use of Government its successors and assigns for ever subject to the proviso for redemption hereinafter contained.

3. Provided always that when the covenants for payment contained therein shall have been satisfied and the principal sum together with all interest due thereon shall have been entirely paid, Government as mortgagee shall at the request and cost of the mortgagor reconvey the properties mortgaged or remainder thereof as he shall direct.

4. And in further pursuance of the agreement and covenants referred to above, the mortgagor hereby agrees to insure against fire up to the full amount of the loan, the entire factory building and machinery and stock in the said concern -----, and if Government so desire all other property hereby mortgaged and the policy of insurance shall be taken out in the joint name of the mortgagor and the Punjab Government and that it shall be deposited with the Director of Industries, Punjab. The mortgagor shall pay all premiums, and at his own cost renew the policy every year during the currency of the loan, failing which Government may pay the same and such premiums shall form part of the loan secured with interest under this mortgage.

5. It is further agreed by the mortgagor that, notwithstanding anything hereinbefore contained, Government or the Director of Industries, Punjab, may by the appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State-Aid has been given, as shall suffice in their or his opinion to safeguard the interest of Government in such industrial concern, and that the mortgagor shall

forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

6. It is further agreed that until the entire amount is repaid with interest, the mortgagor will undertake free training of apprentices selected by the Director of Industries, Punjab, not exceeding three in number, at any one time, in the work carried on by the mortgagor and that non-fulfilment of this condition shall be deemed as default in compliance with this deed.

7. It is further agreed that the stamp on this instrument shall be borne by the mortgagor and the same shall be presented for registration by the mortgagor and registered at his own cost.

"Schedule I"(above referred to)I. (i) No./Hadbast of Plot and its location.(ii)Name of locality.(iii)Area of the plot in acres/square yards.(iv)Detailed dimensions, viz., length, breadth and diagonals, etc. in case of irregular size of plot.(v)Description of boundaries on the-(a)North bounded by.(b)South bounded by.(c)East bounded by.(d)West bounded by.II. Factory buildings constructed or to be constructed and other assets including shares,[****] [Omitted by Punjab Government Notification No.G.S.R.26/P.A. 5/35/S.46/Amd(10)/70, dated the 20th February, 1970.] machinery and equipment existing or to be purchased.In witness whereof the parties have hereunto set their hands on the dates, respectively, mentioned against their signatures in the----- year of the Republic of India.

1. (a) (In case an individual)--Shri ----- signed by the above-named mortgagor, proprietor of -----

-----In the presence of -*(i) (1) Signature(2)Occupation(3)Address(ii)(1) Signature(2)Occupation(3)Address(b)In case of firm *[through partner(s) of the firm.]In the presence of -Witness (1)OccupationAddressWitness (2)OccupationAddress*Signed by the above-named firm of.N.B.. - The Director of Industries should be satisfied from a partnership deed or otherwise that the executant has full power as much to bind the firm and attention is called to section 58(d) of the Indian Partnership Act, 1932, failing which a special Power of Attorney should be demanded from absent partner in favour of the persons signing, which should be retained with Government's copy of the Mortgage deed.

2. (In the case of society) -

The seal of the------(the society hereinbefore rement Committee No.-----, dated the ----- day of----- 19In the presence of -Member of the Governing Committee.Member of the Governing Committee.Member of the Governing Committee.

3. (In the case of company) -

The Seal of the----- Company, Limited was affixed by virtue of the resolution of the Board, No.-----, dated the----- day of----- 19. In the presence of -Director/Director/Secretary N.B. - In the case of either a society under the Punjab Co-operative Societies Act, [1961] [Substituted by Punjab Government Notification No. G.S.R. 220/P.A.S/35/S.46/md(2)/64, dated the 22nd September, 1964.] or a company incorporated under the Companies Act, 1956, the Director of Industries should require a copy of the resolution above referred to certified correct (either by one of the members of the Governing Committee of the society or by a Director/Secretary of the company, as the case may be) authorising the particular executant as to sign or to affix the seal. It is, however, not necessary for the persons mentioned above always to execute the mortgage itself, and it is, sometimes, not convenient for them to do so in person as it involves all the officers in question appearing before the Sub-Registrar and bringing with them the seal of the Society or Company. If they so desire they may execute a special Power-of-Attorney authorising any respectable person preferably one of their own body to do all things necessary for the single transaction, viz., "the completion of the mortgage" which will be referred to in the preamble to such Power-of-Attorney. In that case the Power-of-Attorney will require to be executed on paper stamped at Rs. 2 and though it need not be registered or authenticated by the Sub-Registrar (vide circular No. 49/3076/1-30, from the Inspector General of Registration, Punjab dated the 7th August, 1933). The Director of Industries may require the same to have been attested under section 85 of the Indian Evidence Act. Where the mortgage is executed by an Attorney it will (if for a term exceeding one year) be presented for registration by the Attorney. Signed on behalf of the Governor of Punjab. Joint Director of Industries, Punjab. In the presence of -,

Witnesses, Mortgagee.

(1) (2)

Form 'K' An agreement made----- day of ----- Between (A) ----- a company incorporated in India and registered under the Indian Companies Act, 1956, with registered office at----- (B) a society registered under the Punjab Co-operative Societies Act, [-] [See now the Punjab Co-operative Societies Act, 1961.], [1961] [See now the Punjab Co-operative Societies Act, 1961.], with principal place of business at----- (C) (1) -----, son of -----, caste ----- (1) -----, son of -----, caste ----- (1) -----, son of -----, caste ----- residing at -----, and himself constituting the sole or only proprietor being all the partners----- of the carrying on business at ----- in the name and style of----- (hereinafter himself/themselves its/his their heirs and legal representatives, assignees, jointly and severally referred to as the Borrower) of the part, And the Government of Punjab (hereinafter called the Government) of the other part. WHEREAS the Borrower has applied under section 17 of the Punjab State Aid to Industries Act to the Director of Industries, Punjab, for a loan of Rs. ----- for the purchase of a plot of land and for the purpose of constructing a factory building thereon. AND WHEREAS the Director of Industries, Punjab with the previous sanction of Government has agreed to lend the said sum of Rs. ----- to the borrower for the said purpose in the manner and subject to the conditions hereinafter appearing. NOW this

agreement witnesses and the parties here to hereby agree as follows :-

- 1. The Borrower has deposited Rs.----- with the State Bank of India ----- on account of the contribution to be made by him towards the cost of the plot and construction of the factory building.**
- 4. After the Borrower has purchased and mortgaged the plot as aforesaid and re-deposited the amount by which the cost of the plot purchased by him is less than the amount withdrawn by him from the said joint account, the balance amount in the said joint account left after making the reimbursement mentioned in clause 3 thereof shall be utilised in ----- instalments the amount of each of which shall be determined by the District Industries Officer. First instalment shall be utilised by the Borrower for meeting the development charges of the area in which the plot to be built upon is situated and raising the construction of factory building up to plinth level, the second instalment shall be utilised for raising the factory building up to the roof level and the third instalment shall be utilised for the roofing, flooring, installation of electricity and other allied objects.**
- 5. The borrower shall repay the loan amount of Rs.----- in the following ----- annual instalments on or before the dated mentions against each :-**
 - 1. Rs. ----- on the ----- day of ----- 19**
 - 2. Rs. ----- on the ----- day of ----- 19**
 - 3. Rs. ----- on the ----- day of ----- 19**
 - 4. Rs. ----- on the ----- day of ----- 19**
 - 5. Rs. ----- on the ----- day of ----- 19**
 - 6. Rs. ----- on the ----- day of ----- 19**
 - 7. Rs. ----- on the ----- day of ----- 19**

8. Rs. ----- on the ----- day of ----- 19
9. Rs. ----- on the ----- day of ----- 19
10. Rs.----- on the ----- day of ----- 19
11. Rs. ----- on the ----- day of ----- 19
12. Rs. ----- on the ----- day of ----- 19
13. Rs. ----- on the ----- day of ----- 19
14. Rs. ----- on the ----- day of ----- 19
15. Rs. ----- on the ----- day of ----- 19

In addition, the Borrower shall with each instalment pay interest at the rate of five per cent per annum on the amount of loan at any time outstanding against him. The Borrower shall pay interest at the said rate of ----- per cent per annum on the first anniversary of the date on which the deposit mentioned in Clause 2 is made in the State Bank of India and thereafter the shall, along with each instalment pay interest at the said rate on all sums due immediately before such payment.

6. It shall be lawful for the Director of Industries, Punjab, at his sole discretion and at the request of the Borrower to extend the time for payment of any instalment as provided in the rules framed under the Punjab State Aid to Industries Act, 1935.

7. It shall be lawful for the Borrower at any time to repay the whole or any portion of the said loan in excess of the instalments referred to above or prior to the due date of any instalment.

8. The said loan is made under the provisions of the Punjab State Aid to Industries Act, 1935, and the rules made thereunder.

9. The development of the plot to be purchased and the construction of the factory building thereon shall be the sole responsibility of the Borrower and he shall utilise the loan properly within a period of one year of the date of the opening of the joint account in the bank.

10. The Borrower, shall not except with the approval of the said Director of Industries previously obtained, withdraw from the Industrial concern for the purpose of which the said loan is hereby granted, any profits in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Punjab in each case, so long as any part of the loan or the State Aid remains unpaid or this agreement remains in force.

11. It is further agreed that until the entire amount is repaid with interest, the Borrower will undertake free training of apprentices selected by the Director of Industries, Punjab not exceeding three in number, at any one time, in the work carried on by the borrower, and that non-fulfilment of this condition shall be deemed as default in compliance with this agreement.

[12. If the borrower shall make default in compliance with any of the terms or conditions of this deed, other than the repayment of any instalment of the loan or interest or any part thereof, the entire amount of loan withdrawn by him and outstanding against him shall become immediately payable and from the date of default the Government shall be entitled to charge interest at an enhanced rate of 13 1/2 per cent per annum and without prejudice to other rights and remedies available to the Government, the Director of Industries or any officer authorised by the Government in this behalf, may issue a notice under section 23 or section 27 of the Act and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction. Where the default is in the repayment of any instalment of the loan hereby granted and the money hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such money and such interest shall be payable, the mortgagor shall pay interest at the enhanced rate aforesaid for the period of default and on the defaulted amount only.] [Substituted by Punjab Government Notification No. G.S.R.99/P.A.5/35/Ss.21 and 46/Amd(14)/76, dated the 16th August, 1976.]

13. The stamp on this instrument shall be borne by the borrower.

In witness whereof the parties have hereunto set their hands on the dates, respectively, mentioned against their signatures in the ----- year of Republic of India.

1. (a) (In case of an individual) Shri ----- signed by the above named borrower, proprietor of -----.

In the presence of :-I. (1) Signature(2)Occupation(3)AddressII.(1)

Signature(2)Occupation(3)Address(b)In case of a firm : Signed by the above named firm

of--(through partner/s of the firm).In the presence of :-Witness (I)OccupationAddressWitness

(2) Occupation Address N.B.-- The Director of Industries should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and attention is called to section 58(d) of the Indian Partnership Act, 1932, failing which a special power of Attorney should be demanded from absent partners in favour of the persons signing, which should be retained with Government's copy of the agreement deed

2. (In the case of a society)

The seal of the ----- (the Society hereinbefore referred to) as hereunto affixed by virtue of a resolution of Governing Committee No.-----, dated the -----, day of ----- 19. In the presence of : Member of Governing Committee. Member of Governing Committee. Member of Governing Committee.

3. (In the case of a company)

The seal of the ----- Company, Limited, was affixed by virtue of the resolution of the Board No. -----, dated the -----, day of ----- 19. In the presence of : Director Secretary N.B. - In the case of either a society under the Punjab Co-operative Societies Act, 1954, or a company incorporated under the Companies Act, 1956, the Director of Industries should require a copy of the resolution above referred to certified correct (either by one of the members of the Governing Committee of the Society or by a Director or Secretary of the Company, as the case may be) authorising the particular executant as to sign or to affix the seal. It is, however, not necessary for the persons mentioned above always to execute the agreement itself, and is sometimes, not convenient for them to do so in persons as it involves all the officers in question appearing before the Sub- Registrar and bringing with them the seal of the Society or Company. If they so desire they may execute a special Power-of-Attorney authorising any respectable person preferably one of their own body to do all things necessary for the single transaction, viz., the completion of. In that the Power-of- Attorney will require to be executed on paper stamped at Rs. 2 and though it need not be registered or authenticated by the Sub-Registrar (vide circular No. 49/3076/1-30, from the Inspector-General of Registration, Punjab dated the 7th August, 1933. The Director of Industries may require the same to have been attested under section 85 of the Indian Evidence Act. Where the agreement is executed by an Attorney, it will (if for a term exceeding one year), be presented for registration by the Attorney. In the presence of : Signed on behalf of the Governor of Punjab.

Witnesses (1)

(2)

Joint Director of Industries, Punjab Mortgagee. Form 'L' This Mortgage Deed made this ----- day of ----- 19 (A) The Between ----- Limited, a company incorporated in India and registered under the Indian Companies Act, 1956 with registered office at ----- (B) ----- A Society registered under the Punjab Co-operative Societies Act, 1961, with principal place of business at

------(C)(1)-----, son of -----, Caste
 -----(2)-----, son of -----, Caste -----(3)-----, son of
 -----, Caste -----Residing at -----, and himself
 constituting the sole or only proprietor of the-----being
 all the
 partners-----
 carrying on business at ----- in the name and
 style of ----- (Hereinafter
 himself/themselves, it his/their heirs and legal representatives assigns, jointly and severally referred
 to as the Mortgagor) of the first Part :-AND SECONDLY, the Government of Punjab, through the
 Director of Industries (Hereinafter referred to as Government) of the Second Part. Whereas a loan of
 Rs. -----, Rs. ----- was advanced by Government to the Mortgagor for the
 purchase of a plot and construction of factory building for the development of -----
 industry on terms and conditions contained in the agreement registered on -----
 hereinafter called the Principal Deed. And whereas one of the terms of the Principal Deed was that
 the Mortgagor shall within [two months] [Substituted by Punjab Government Notification No.
 G.S.R.220/P.A.5/35/S.46/Amd.27/64, dated the 22nd September, 1964.] from the date of
 withdrawal of the loan amount from the joint account opened with the State Bank of India
 ----- with the loan amount of Rs. ----- and cash contribution of
 Rs.----- made by the Mortgagor, purchase a plot of land from ----- and execute a deed
 mortgaging the same and the factory building to be erected thereon to Government as security for
 the amount advanced to him and interest due thereon. And whereas the Mortgagor with the amount
 withdrawn from the said joint account purchased a plot of land measuring ----- situated in
 -----, at ----- District ----- (the said property being detailed or described
 more particularly in Schedule I to this deed) from -----, vide sale deed registered
 on ----- and has assured Government that he is sole owner of the plot of land and the same
 is not mortgaged or charged or otherwise encumbered in any way. Now this Indenture witnesses that
 :-

**1. The Mortgagor for consideration mentioned in the Principal Deed and to
 secure the said loan of Rs. ----- and interest due thereon doth as
 beneficial owner of the plot hereby grant, convey and assign unto
 Government :-**

(a) All the properties mentioned in the said schedule I, and the buildings and machinery that may
 hereafter be constructed or installed thereon. (b) All the assets, present and to be hereafter acquired
 by the Mortgagor whether the said assets now or in future be in him own name or that of
 ----- including [] [Omitted by Punjab Government Notification No. G.S.R.26/P.A.
 5/35/S.46/Amd(10)/70, dated the 20th February, 1970.] the premises and machinery whether
 existing or to be purchased with the aid of the loan hereby granted or with the portion thereof, and
 whether referred to in schedule I or not, to have and to hold the same unto and to the use of
 Government its successors and assigns for ever subject to the proviso for redemption hereinafter
 contained.

2. Provided always when the covenants for payment contained in the Principal Deed shall have been satisfied and the principal sum together with all interest due thereon shall have been entirely paid, Government as mortgagee shall at the request and cost of the mortgagor reconvey the properties mortgaged or remainder thereof as he shall direct.

3. And in further pursuance of the agreement and covenants referred to above, the Mortgagor hereby agrees to insure against fire upto to the full amount of the loan, the entire factory building and machinery and stock in the said concern -----, and all other property hereby mortgaged and that the policy of insurance shall be taken out in the joint names of the mortgagor and the Punjab Government and that it shall be deposited with the Director of Industries, Punjab. The mortgagor shall pay all premiums, and at his own cost renew the policy every year during the currency of the loan, failing which Government may pay the same and such premiums shall form part of the loan secured with interest under this mortgage.

4. It is further agreed by the mortgagor that, notwithstanding anything hereinbefore contained, Government or the Director of Industries, Punjab, may by the appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State-Aid has been given, as shall suffice in their or his opinion to safeguard the interest of Government in such industrial concern, and that the mortgagor shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

5. The said loan of Rs ----- and interest due thereon shall be recoverable under the terms and conditions contained in the Principal Deed in accordance with the provisions of the Punjab State Aid to Industries Act, 1935, and the rules made thereunder.

6. The building shall be got constructed by the Mortgagor in accordance with the plan approved by the Executive Engineer, P.W.D., B. and R. Branch, concerned according to the bye-laws governing the construction of factory building in the Industrial Areas of Punjab. The Mortgagor shall also get the approval of the Municipal Committee or the local authority concerned for the construction of factory building.

7. The construction of the factory building shall be the sole responsibility of the Mortgagor [and he shall utilize the loan amount properly within a period of two months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Punjab, or any officer authorised by him from time to time in this behalf'.] [Substituted by Punjab Government Notification No. G.S.R.220/P.A.5/35/S.46/ Amd.(2)/64, dated the 22nd September, 1964.]

8. It is further agreed that the stamp duty on this instrument shall be borne by Government and the same shall be presented for registration by the mortgagor and registered at his own cost.

"Schedule I"(Above referred to)I. (i) No./Hadbast of Plot and its location.(ii)Name of locality.(iii)Area of the plot in acres/square yards.(iv)Detailed dimensions, viz., length, breadth and diagonals, etc. in case of irregular size of plot.(v)Description of boundaries on the-(a)North bounded by.(b)South bounded by.(c)East bounded by.(d)West bounded by.II. Factory buildings or to be and other assets including shares,[-] [Omitted by Punjab Government Notification No.G.S.R.26/P.A. 5/35/S.46/Amd(10)/70, dated the 20th February, 1970.] shares, machinery and equipment existing or to be purchased.III. Personal security of the Mortgagor.In witness whereof the parties have hereunto set their hands on the dates, respectively, mentioned against their signatures in the ----- year of the Republic of India.(i) (a)(In case of the individual) Shri ----- signed by the above named mortgagor, proprietor of -----In the presence of :-I. (1) Signature(2)Occupation(3)AddressII.(1) Signature(2)Occupation(3)Address(b)In case of a firm : Signed by the above named firm of (through partner/s of the firm).In the presence of :-Witness (I)OccupationAddressWitness (2)OccupationAddressN.B.-- The Director of Industries should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and attention is called to section 58(d) of the Indian Partnership Act, 1932, failing which a special power of Attorney should be demanded from absent partners in favour of the persons signing, which should be retained with Government's copy of the agreement deed

2. (In the case of a society)

The seal of the ----- (the Society hereinbefore referred to) as hereunto affixed by virtue of a resolution of Governing Committee No.-----, dated the -----, day of ----- 19 .In the presence of :Member of Governing Committee.Member of Governing Committee.Member of Governing Committee.

3. (In the case of a company)

The seal of the ----- Company, Limited, was affixed by virtue of the resolution of the Board No. -----, dated the -----, day of ----- 19.In the presence of

:DirectorDirectorSecretaryN.B. - In the case of either a society under the Punjab Co- operative Societies Act, 1961, or a company incorporated under the Companies Act, 1956, the Director of Industries should require a copy of the resolution above referred to certified correct (either by one of the members of the Governing Committee of the Society or by a Director or Secretary of the Company, as the case may be) authorising the particular executant as to sign or to affix the seal. It is, however, not necessary for the persons mentioned above always to execute the agreement itself, and it is sometimes, not convenient for them to do so in persons as it involves all the officers in question appearing before the Sub- Registrar and bringing with them the seal of the Society or Company. If they so desire they may execute a special Power-of-Attorney authorising any respectable person preferably one of their own body to do all things necessary for the single transaction, viz., the completion of Power-of-Attorney. In that case the Power-of-Attorney will require to be executed on paper stamped at Rs. 3 and though it need not be registered or authenticated by the Sub-Registrar (vide circular No. 49/3076/1-30, from the Inspector-General of Registration, Punjab dated the 7th August, 1933). The Director of Industries may require the same to have been attested under section 85 of the Indian Evidence Act. Where the agreement is executed by an Attorney, it will (if for a term exceeding one year), be presented for registration by the Attorney. Signed on behalf of the Governor of Punjab. In the presence of :

Witnesses (1)

(2)

Deputy Director of Industries, PunjabMortgagee. Form 'M' This Mortgage Deed made this ----- day of ----- 19 between (1) -----, son of -----, caste ----- (2) -----, son of -----, caste ----- (3) -----, son of -----, caste ----- residing at ----- and himself constituting the sole or only proprietor being all the partners ----- of the firm known as ----- and carrying on business at ----- in the name and style of ----- (hereinafter himself/themselves its/their ----- legal heirs, representatives, assignees, jointly and severally referred to as the Mortgagor of the first part :- And Secondly :- (1) -----, son of -----, residing at ----- (2) -----, son of -----, residing at ----- hereinafter on behalf of themselves, their heirs, legal representatives and assignees, jointly and severally referred to as sureties of the second part. And Thirdly the Governor of Punjab through the Director of Industries Punjab (hereinafter referred to as Government) of the Third part: And whereas the Mortgagor has applied under section 17 of the Punjab State Aid to Industries Act, 1935, to the Director of Industries, Punjab, for a loan of Rs ----- for the purpose of and Sarvashri ----- have agreed in accordance with rule 7 of the Rules made under section 46 of the Punjab State Aid to Industries Act, 1935 to stand as sureties for the repayment of the said loan. And the Director of Industries, Punjab, has accordingly agreed to lend the sum of loan of Rs. ----- to the Mortgagor in the manner and subject to the conditions hereinafter appearing. Now this indenture witnesseth the and the parties hereto hereby agreed as follows :-

1.

(i)The Mortgagor has deposited Rs. 100 with the State Bank of India on account of the contribution to be made by him towards the share in the enterpirze.(ii)The entire amount of Rs.----- consisting of Rs.----- advanced as loan and Rs. 100 deposited by the Mortgagor under clause 1 hereof shall be deposited in a Branch of the State Bank of India in the Current/Saving account in the joint name of the District Industries Officer, -----, and the Mortgagor.(iii)The Mortgagor shall not be entitled to withdraw any amount from this deposit without authorization and countersignature of the District Industries Officer ----- but the said District Industries Officer shall have the right to operate the joint account without the consent or authority of the Mortgagor.(iv)The Mortgagor shall be allowed to withdraw from the said joint account such sum as may be determined by the said Disstrict Industries Officer to enable him to purchase powerlooms. The Mortgagor shall purchase powerlooms within six months of the withdrawal of the money from the said joint account or thereafter with the prior permission of the Director of Industries, Punjab. If the actual price paid for powerlooms is less than the amount withdrawn by the mortgagor in the joint account, the mortgagor shall repay the difference to the District Industries Officer -----, for being redeposited in the said joint account. In case actual cost of powerlooms is higher than the amount so withdrawn by him, the difference will be met by the Mortgagor from his own pocket but the same, shall subject to a limit of Rs. ----- be reimbursed to him out of the amount deposited in the said joint account as soon as he furnishes to the District Industries Officer -----, satisfactory proof of the purchase of powerlooms and the amount spent in excess of the amount withdrawn by him for the purchase of powerlooms.(v)After the mortgagor has purchased powerlooms and redeposited the amount by which the cost of powerlooms is less than the amount withdrawn by him from the said joint account for the purpose, the balance amount left after making the reimbursement, if any, mentioned in clause (iv) hereof shall be allowed to be withdrawn by the mortgagor for the installation of powerlooms and the mortgagor shall install the powerlooms within ----- of the withdrawal of the amount for that purpose.(vi)The mortgagor shall not sell, mortgage or otherwise transfer or part with the powerlooms purchased with Government money without the approval fo the said District Industries Officer previously obtained.(viii)The Mortgagor shall repay to Government the said sum of Rs.----- advanced as loan, with interest thereon at the rate of Rs. 4½ per cent per annum computed from the date on which the amount of loan is deposited in the State Bank of India in the joint account of ----- the Mortgagor and the District Industries Officer in the following instalments :-First instalment of the sum of Rs.----- representing the interest on the loan at the said rate for a period of one year commencing from the date on which the amount of loan is deposited in the said jointly account shall be payable on the -----.Second instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of -----.Third instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of -----.Fourth instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of -----.Fifth instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of -----.Sixth instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of -----.Seventh instalment of Rs. ----- out of the principal amount shall be payable

on the ----- day of -----Eight instalment of Rs.
----- out of the principal amount shall be payable on the
-----Ninth instalment of Rs. ----- out of the
principal amount shall be payable on the -----And the mortgagor shall with
each of the second to seventh instalments pay interest at the rate aforesaid accrued on the entire
amount of loan remaining due immediately before such payment.Provided that the Director of
Industries may, for sufficient reasons, postpone the payment of interest on the due date for a period
of one year at a time. If the payment of interest is not postponed, the amount of interest so
postponed shall be considered added to the principal amount then outstanding and shall be payable
by the mortgagor to Government with interest at the rate aforesaid and the amount of each
instalment of the principal then outstanding shall be increased by the amount equal to the amount
of interest so postponed divided by the number of instalments as have not become due at the time
:Provided further that the Director of Industries, Punjab may at the written request of the
mortgagor, extend the due date of payment of any instalment of the principal so however that the
total period of complete repayment of the loan with interest does not exceed ten years from the date
on which the amount of loan is deposited in the aforesaid joint account.(viii)The mortgagor shall be
entitled to the interest, if any, which accrues on the amount deposited in the State Bank of India in
the joint account of the mortgagor and the said District Industries Officer.(ix)It shall be lawful for
the Mortgagor at any time to repay the whole or any portion of the said loan in excess of the
instalments referred to above or prior to the due date of any instalment.(x)The said loan is made
under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries
Act, 1935 and the rules made thereunder.(xi)[If the mortgagor shall make default in compliance
with any of the terms or conditions of this deed, other than the repayment of any instalment of the
loan or interest or any part thereof, the entire amount of loan withdrawn by him and outstanding
against him shall become immediately payable and from the date of default the Government shall be
entitled to charge interest at an enhanced rate of 13½ per cent per annum and without prejudice to
other rights and remedies available to the Government, the Director of Industries or any officer
authorised by the Government in this behalf may issue a notice under Section 23 or Section 27 of the
said Act and the money duly specified therein shall become immediately payable as if a money
decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction.
Where the default is in the repayment of any instalment of the loan hereby granted and the money
hereby secured or any part thereof together with any interest that may be due thereon on the date or
dates on which such money and such interest shall be payable, the mortgagor shall pay interest at the
enhanced rate aforesaid for the period of default and on the defaulted amount only] [Substituted by
Punjab Government Notification No. G.S.R.99/P.A.5/35/Ss.21 and 46/Amd(14)/76, dated the 16th
August, 1976.].

**2. And in further pursuance of the said agreement and for the consideration
aforesaid the Mortgagor as beneficial power doth hereby grant, convey, and
assign unto Government the assets present and to be hereafter acquired by
the mortgagor whether the said assets now or in future be in his own name
or that of ----- including [xxxxx] [Omitted by
Punjab Government Notification No. G.S.R. 26/P.A.- 5/S.46/Amd(10) 70, dated**

the 20th February, 1970.] the premises and machinery whether existing or to be purchased with the aid of the loan hereby granted or with any portion thereof to have and to hold the same unto and to the use of Government, its successors and assigns for ever subject to proviso for redemption hereinafter contained.

3. Provided always that when the covenants for payment contained herein shall have been rectified and the principal sum together with all interest due thereon shall have been entirely paid, Government as mortgagee shall at the request and cost of the mortgagor reconvey the properties mortgaged or remainder thereof as he shall direct.

4. And in further pursuance of the agreement and covenants referred above, the mortgagor hereby agrees to insure against fire up to the full amount of the loan, the entire factory building, machinery and stock in mortgagor's concern known as ----- and if Government so desire all other property hereby mortgaged and that the policy of insurance shall be taken out in the joint name of the mortgagor and the Punjab Government and that it shall be deposited with the Director of Industries, Punjab. The mortgagor shall pay all premiums, and at his own cost renew the policy every year during the currency of the loan, failing which Government may pay the same and such premiums shall form part of the loan secured with interest under this mortgage.

5. The mortgagor shall be required to put up engraved metal plates of the prescribed size containing the words "pledged to Government" at his own cost on every machine and shall be liable to pay as liquidated damages a sum not exceeding Rs. 500 if he wilfully removes or defaces any plate.

6. It is further agreed by the mortgagor that, notwithstanding anything hereinbefore contained, Government or the Director of Industries, Punjab, may by the appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State-Aid has been given, as shall suffice in their or his opinion to safeguard the interest of Government in such industrial concern, and that the mortgagor shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

7. It is further agreed with until the entire amount is repaid with interest, the mortgagor will under take free training of apprentices selected by the Director of Industries, Punjab, not exceeding three in number, at any one time, in the work carried on by he mortgagor and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

8. It is further agreed with the stamp on this instalment shall be borne by the mortgagor and the same shall be presented for registration by the mortgagor and registered at his own cost.

9. The grant of extension of time or any other indulgence by the Government or the Director of Industries to the mortgagor or any forbearance on the part of the Government shall not operate to discharge the sureties from their liability under this deed.

In witness whereof the parties have hereunto set their hands on the dates, respectively, mentioned against their signature in the ----- year of the Republic of India.(a)(In case of an individual) Shri-----Proprietor of-----Signed by the above-named mortgagorIn the presence of :--I. 1. Signature.

2. Occupation.

3. Address.

II. 1. Signature.

2. Occupation.

3. Address.

Signed on behalf of the Governor of Punjab.Director of Industries, Punjab.Mortgagee.[Form 'N']This further charge is made this -----day of ----- 199 between(A)The -----Limited, a company incorporated in India and registered under the Indian Companies Act, 1956 with registered office at -----(B).....A Society registered under the Punjab Co-operative Societies Act [1961] [Substituted by Punjab Government Notification No. G.S.R. 220/P.A.5/35/S.46/Amd.(2)/64, dated the 22nd September 1964.] with principal place of business at -----(C)(1) -----, son of -----, caste -----(2)-----, son of -----, caste -----(3)-----, son of -----, caste -----residing at -----, and himself constituting the sole or only proprietor of the/ being all the

partners-----

And Carrying on Business at -----in the name and style of ----- (hereinafter| himselfthemselves| Its, histheir| legal representatives, assignees, jointly and severally referred to as the Mortgagor of the first Part; and Secondly, the Governor of Punjab, through the Director of Industries (hereinafter referred to as Government) of the Second Part :-Whereas by a Mortgage Deed (hereinafter called the principal Deed), dated ----- and made between the Mortgagor and Government, the Mortgagor conveyed certain property therein and herein more particularly specified in the schedule for securing payment to the Government of the Principal sum of Rs. ----- with interest thereon at the rate of ----- per cent per annum.And whereas the said principal sum of ----- together with interest still remains owing to the Government on the security of the principal Deed;And whereas the Mortgagor has assured Government that he is the sole owner of the aforesaid property and that except the mortgage made in the principal deed subject to which this mortgage is made, the said property is not mortgaged or charged otherwise encumbered in any way whatsoever;And whereas the Mortgagor has applied under section 17 of the Punjab State Aid to Industries Act, 1935, to the Director of Industries, Punjab, for a further loan of Rs. ----- for the purpose of -----;And the Director of Industries Punjab (with the previous sanction of the Governor of Punjab), has accordingly agreed to grant the said loan to the Mortgagor, subject to the conditions hereinafter appearing;Now This Deed Witnesseth That

1. (i) The mortgagor has further deposited Rs. ----- in cash with ----- on account of the contribution to be made by him towards the costs of -----.

(ii)The entire amount of Rs. ----- including Rs. ----- advanced as further loan and Rs. ----- deposited by the mortgagor under clause I hereof shall be deposited in the ----- joint accounts The words in () to be struck of in case there is no existing joint account.*(already opened) in the names of ----- and the Mortgagor (The words in () to be struck of in case there is no existing joint account. [(under the Principal Deed)] [The words in to be struck of in case there is no existing joint account.]. The mortgagor shall not be entitled to withdraw the amount from the said deposit without the authorisation of ----- but ----- shall have the right to operate the joint account without the consent or authority of the Mortgagor.(iii)The mortgagor shall be allowed to utilise the sum of Rs. ----- out of the said deposit for ----- factory building. He shall be allowed to utilise the sum of Rs.----- out of the said deposit for the purpose of machinery in three instalments. The first instalment of Rs. ----- for payment of advance to the machinery suppliers, the second instalment of Rs. ----- for taking delivery of the Machinery on receipt of the R/Rs. and the third instalment of Rs. ----- for the installation of the machinery.(iv)The mortgagor hereby covenants with Government to repay to Government the said sum of Rs. ----- with interest thereon at the rate of Rs. ----- per cent per annum, computed from ----- in the following instalments :-Instalments :-First instalment of the sum of Rs. ----- representing the interest on the loan at the said rate for a period of one year commencing from

----- to ----- shall be payable on the ----- day of ----- .Second instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- .Third instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- .Fourth instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- .Fifth instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- .Sixth instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- .Seventh instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- .And the mortgagor shall with each of the second to seventh instalments pay interest at the rate aforesaid accrued on the entire amount of loan remaining due immediately before such payment.(v) Provided that the Director of Industries may, for sufficient reasons, postpone the payment of interest on the due date for a period of one year at a time. If the payment of interest is not postponed, the amount of interest so postponed shall be considered added to the principal amount then remaining due and shall be payable by the ----- to Government with interest at the rate aforesaid and the amount of each instalment of the principal then remaining due shall be increased by the amount equal to the amount of interest so postponed divided by the number of instalments as have not become due at that time : Provided further that the Director of Industries may at the written request of the mortgagor and in his sole discretion when the amount is below Rs. 5,000 and with previous sanction of Government when the loan is Rs. 5,000 or above, extend the due date of payment of one or more instalments provided that the total period of repayment of the loan with interest does not exceed 10 years from the date of deposit of the loan, of Rs. ----- under clause 1(ii) hereof.(vi) It shall be lawful for the mortgagor at any time to repay the whole or any portion of the said loan in excess of the instalments referred to above or period to the due date ----- .(vii) The said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935 and any Rules made thereunder.(viii) [The mortgagor shall utilize the loan amount properly within a period of two months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Punjab, or any officer authorised by him from time to time in this behalf.] [Substituted by Punjab Government Notification No. G.S.R. 220/P.A.5/135/S.46/Amd.(2)/64, dated the 22nd September, 1964.](ix) The mortgagor shall not, except with the approval of the said Director of Industries previously obtained, withdraw from the Industrial concern for the purpose of which the said loan is hereby granted, any profits or declare or distribute dividends in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Punjab in each case, so long as any part of the loan or the State Aid remains unpaid or this deed remains in force. If the mortgagor misuses the amount withdrawn by him from the amount of Rs. ----- deposited in the ----- Bank or fails to comply with any of the conditions herein contained and to be performed and observed by him, the amount contributed by him towards the said deposit shall without prejudice to other rights and remedies of Government stand forfeited to Government. If any amount contributed by him remains unspent after the factory building has been constructed and/or the machinery has been purchased and installed, the same shall be returned to the mortgagor.(x) [If the mortgagor shall make default in compliance with any of the terms or conditions of this deed, other than the repayment of any instalment of the loan or interest or any part thereof, the entire amount of loan withdrawn by him and outstanding against him shall become

immediately payable and from the date of default the Government shall be entitled to charge interest at an enhanced rate of 13½ per cent per annum and without prejudice to other rights and remedies available to the Government, the Director of Industries or any officer authorised by the Government in this behalf may issue a notice under Section 23 or Section 27 of the said Act and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction. Where the default is in the repayment of any instalment of the loan hereby granted and the money hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such money and such interest shall be payable, the mortgager shall pay interest at the enhanced rate aforesaid for the period of default and on the defaulted amount only] [Substituted by Punjab Government Notification No. G.S.R. 99/P.A.5/35/Ss.46 and 21/Amd.(14)/76, dated the 16th August 1976.].

2. The Mortgagor, as beneficial owner, hereby :-

(i)charges by way of legal mortgage the property comprised in the principal Deed as specified in the Schedule thereto subject to the mortgagor embodied in the principal Deed with the payment of further sum of Rs._____ now but with the payment of further sum of Rs._____ now but with interest due hereunder and the other money payable by the mortgagor to the Government under this deed in addition to the sums secured by the Principal Deed and the interest due or to become due thereunder;(ii)declares that the property comprised in the Principal Deed shall not be redeemable without payment by the Mortgagor to the Government of all principal money, interest and other money payable by the Mortgagor under the principal Deed and this deed; and(iii)all the powers, covenants and provisional contained in the Principal Deed shall apply for enforcing payment of all Principal money, interest and other money payable by the Mortgagor under this Deed in like manner as they apply for enforcing payment of Principal money, interest and other money payable by the Mortgagor under the Principal Deed.

3. And in further pursuance of the agreement and covenants referred to above, the mortgagor hereby agrees to insure against fire up to the full amount of the loan secured by this deed and the Principal Deed, the entire machinery and stock in mortgagor's ----- And if Government so desires, all other property hereby mortgaged and that the policy of insurance shall be taken out in the joint name of the mortgagor and the Punjab Government and that it shall be deposited with the Director of Industries, Punjab.

The mortgagor shall party all premiums, and at his own cost renew the policy every year during the currency of the loan, failing which Government may pay the same and such premiums shall form part of the loan secured with interest under this mortgage.

- 4. He mortgagor shall be required to put up engraved metal plates of the prescribed size containing the words "pledged to Government" at his own cost on every machine and shall be liable to pay as liquidate damages a sum not exceeding Rs. 500 if he willfully removes or defaces the plate.**
- 5. It is further, agreed by the mortgagor that notwithstanding any thing hereinbefore contained, Government or the Director of Industries, Punjab, may by the appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given, as shall suffice in their or his opinion to safeguard the interest of Government in such industrial concern, and that the mortgagor shall forthwith comply with all recommendations made by the Director of Industries, or the Director so appointed.**
- 6. It is further agreed that any plant or machinery purchased by the mortgagor with the loan and mortgaged hereby whether specified in the deed as security or not shall, until the amount due under this and the principal deed are repaid in full, remain hypothecated to the Government as collateral security and any transfer thereof, assignment of any right, title or interest therein or the creation of any mortgage, encumbrance or any other charge thereon by the mortgagor shall be void against Government unless it has been made or created with the previous written consent of the authority sanctioning the loan.**
- 7. It is further agreed with until the entire amount is repaid with interest, the mortgagor will undertake free training of apprentices selected by the Director of Industries, Punjab, not exceeding three in number, at any one time, in the work carried on by the mortgagor and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.**
- 8. It is further agreed that the stamp on this instalment shall be borne by the mortgagor and the same shall be presented for registration by the mortgagor and registered at his own cost.**
- 9. Government shall be entitled to enforce this mortgage subject to its rights under the principal deed ----- without suing on the basis of the said principal deed.**

I

(above referred to) I. (i) Serial No. of plot. (ii) Name of Industrial Area. (iii) Area of the plot in acres/square yards. (iv) Detailed dimensions, viz., length, breadth and diagonals, etc. in case of irregular size of plot. (v) Description of boundaries on the :- (a) North bounded by (b) South bounded by (c) East bounded by (d) West bounded by II. Factory buildings construed or to be constructed and other assets including [-] [Omitted by Punjab Government Notification No. G.S.R. 26/P.A.-5/S.46/Amd(1) 70, dated the 20th February, 1970.] share, machinery and equipment existing or to be purchased. In witness whereof the parties have hereunto set their hands on the dates, respectively, mentioned against their signatures in the ----- Year of the Republic of India. (a) (In case of an individual) Shri ----- signed by the above-named mortgagor, Proprietor of ----- In the presence of : I. 1. Signature.

2. Occupation.

3. Address.

II. 1. Signature.

2. Occupation.

3. Address.

by the mortgagor should be one through in the above named firm of* Signed by the appropriate form as follows :- *Name or names of firm or partners thereof. Partner of the said firm. In the presence of :- Witness (1) Occupation. Address. Witness (2) Occupation. Address. N.B. - The Director of Industries should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and attention is called to section 58(d) of the Indian Partnership Act, 1932, failing which a special Power of Attorney should be demanded from absent partners in favour of the persons signing, which should be retained with Government's copy of the mortgagor.

2. (In the case of a society) :

The seal of the ----- (the society hereinbefore referred to) was hereunto affixed by virtue of a resolution of Governing Committee No. -----, dated the -----, date of ----- 199 . In the presence of Member of the Governing Committee. Member of the Governing Committee. Member of the Governing Committee.

3. (In the case of a company) :

The seal of the ----- Company, Limited was affixed by virtue of the resolution of Board, No. -----, dated the -----, date of ----- 199 . In the presence of :- Director Director Secretary. N.B. - In the case of either a society under Act XXI of 1860 or II of

1912 or a company incorporated under the Companies Act, the Director of Industries should require a copy of the resolution above referred to certified correct (either by one of the members of the Governing Committee of the Society or by a Director or Secretary of the Company, as the case may be) authorising the particular executant as to sign or to affix the seal. It is, however, not necessary for the persons mentioned above always to execute the mortgage itself, and it is, sometimes, not convenient for them to do so in person as it involves all the officers in question appearing before the Sub- Registrar and bringing with them the seal of the Society or Company. If they so desire, they may execute a special power of Attorney authorising any respectable person preferably one of their own body to do all things necessary for the single transaction, viz., 'the completion of the mortgager' which will be referred to in the preamble to such Power of Attorney. In that case, the Power of Attorney will require to be executed on paper stamped at Rs. 2, and though it need not be registered or authenticated by the Sub-Registrar (Vide circular No. 49/3076/1-30, from the Inspector-General of Registration, Punjab, dated the 7th August, 1933). The Director of Industries may require the same to have been attested under Section 85 of the Indian Evidence Act. Where the mortgage is executed by an Attorney, it will (if for a term exceeding one year) be presented for registration by the Attorney. Signed on behalf of the Governor of Punjab. Deputy Director of Industries, Punjab Mortgagee In the presence of

Witnesses (1)

(2)

[Form 'O'] This further charge is made this ----- day of ----- 19 between (A) The ----- Limited, a company incorporated in India registered under the Indian Companies Act, [1956] [Added by Punjab Government Notification No. 556(5)-2CB-59/4344, dated the 27th February, 1959.] with registered office at ----- (B) ----- A Society registered under the Punjab Co-operative Societies Act [1961] [Substituted by Punjab Government Notification No. G.S.R. 220/P.A.5/35/S.46/Amd.(2)/64, dated the 22nd September, 1964.] with principal place of business at ----- (C) (1) -----, son of -----, Caste ----- (2) -----, son of -----, Caste ----- (3) -----, son of -----, Caste -----

residing at ----- and himself constituting| the sole or only proprietor of the being all the partners|

And carrying on business at ----- in the name and style of ----- (hereinafter Himself/themselves his. their Legal representative, assignees, jointly and severally referred to as the Mortgagor) of the first part :- and Secondly, the Governor of Punjab, through the Director of Industries (hereinafter referred to as Government) of the Second Part :- Whereas by a Mortgage Deed (hereinafter called the principal Deed), dated ----- and made between the Mortgagor and Government, the Mortgagor conveyed certain property therein and herein more particularly specified in the schedule for securing payment to the Government of the Principal sum of Rs. ----- with interest thereon at the rate of ----- per cent per annum. And whereas the said principal sum of ----- together with interest still remaining owing to the Government on the security of the Principal Deed; And whereas the Mortgagor has assured Government that he is the sole owner of the aforesaid property and that except the mortgage made in the principal deed subject to which this mortgage is made, the said property is not mortgaged, charged otherwise encumbered in any way whatsoever; And whereas the

Mortgagor has applied under section 17 of the Punjab State Aid to Industries Act, 1935, to the Director of Industries, Punjab, for a further loan of Rs. ----- for the purpose of -----; And the Director of Industries Punjab (with the previous sanction of the Governor of Punjab), has accordingly agreed to grant the said loan to the Mortgagor, subject to the conditions hereinafter appearing; Now This Indenture Witnesses That :- In pursuance of the said agreement and for the purpose of in part securing the said sum of Rs. ----- (receipt whereof the Mortgagor hereby acknowledge), the mortgagor hereby covenants with Government to repay to Government the said sum of Rs. ----- with interest thereon at the rate of Rs. ----- per cent per annum, computed from ----- in the following instalments :- Instalments . - First instalment of the sum of Rs. ----- representing the interest on the loan at the said rate for a period of one year commencing from ----- to ----- shall be payable on the ----- day of ----- Second instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- Third instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- Fourth instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- Fifth instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- Sixth instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- Seventh instalment of Rs. ----- out of the principal amount shall be payable on the ----- day of ----- And the mortgagor shall with each of the second to seventh instalments pay interest at the rate aforesaid accrued on the entire amount of loan remaining due immediately before such payment. And the mortgagor shall with each of the second to seventh instalments pay interest at the rate aforesaid accrued on the entire amount of loan remaining due immediately before such payment. (v) Provided that the Director of Industries may, for sufficient reasons, postpone the payment of interest on the due date for a period of one year at a time. If the payment of interest is not postponed, the amount of interest so postponed shall be considered added to the principal amount then remaining due and shall be payable by the ----- to Government with interest at the rate aforesaid and the amount of each instalment of the principal then remaining due shall be increased by the amount equal to the amount of interest so postponed divided by the number of instalments as have not become due at that time : Provided further that the Director of Industries may at the written request of the mortgagor and in his sole discretion when the amount is below Rs. 5,000 and with previous sanction of Government when the loan is Rs. 5,000 or above, extend the due date of payment of one or more instalments provided that the total period of repayment of the loan with interest does not exceed 10 years from the date of disbursement of the loan amount. (vi) It shall be lawful for the mortgagor at any time to repay the whole or any portion of the said loan in excess of the instalments referred to above or prior to the due date or prior to the end of extended period, (if so granted). (vii) The said loan is made under and shall remain in any case subject to the provisions of the Punjab State Aid to Industries Act, 1935 and any Rules made thereunder. (viii) The mortgagor shall not, except with the approval of the said the Director of Industries, previously obtained,

withdraw from the Industrial concern for the purpose of which the said loan is hereby granted, any profits or declare or distribute dividends in excess of such percentage rate upon the amount of the capital of the Industrial concern as may be determined by the Director of Industries, Punjab, in each case, so long as any part of the loan or the State Aid remains unpaid or this deed remains in force. [(viii-A) The mortgagor shall utilize the loan amount properly within a period of two months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Punjab, or any Officer authorised by him from time to time in this behalf.] [Inserted by Punjab Government Notification No. G.S.R. 220/P.A.- 5/35/S.46/Amd.(4), dated the 22nd September, 1964.](ix)[If the mortgagor shall make default in compliance with any of the terms or conditions of this deed, other than the repayment of any instalment of the loan or interest or any part thereof, the entire amount of loan withdrawn by him and outstanding against him shall become immediately payable and from the date of default the Government shall be entitled to charge interest at an enhanced rate of 13½ per cent per annum and without prejudice to other rights and remedies available to the Government, the Director of Industries or any officer authorised by the Government in this behalf may issue a notice under Section 23 or Section 27 of the said Act and the money duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction. Where the default is in the repayment of any instalment of the loan hereby granted and the money hereby secured or any part thereof together with any interest that may be due thereon on the date or dates on which such money and such interest shall be payable, the mortgagor shall pay interest at the enhanced rate aforesaid for the period of default and on the defaulted amount only.] [Inserted by Punjab Government Notification No. G.S.R.99/P.A.-5/35/Ss.21 and 46/Amd.(14), dated the 16th August, 1976.]

2. The Mortgagor, as beneficial owner, hereby :-

(i)Charges by way of legal mortgage the property comprised in the principal Deed, and herein more particularly specified in its schedule hereto with the payment of further sum of Rs. ----- now but with the interest due hereunder and the other money payable by the mortgagor to the Government under this Deed in addition to the sums secured by the Principal Deed and the interest due or to become due thereunder;(ii)Declares that the property comprised in the Principal Deed shall not be redeemable without payment by the Mortgagor to the Government of all principal money, interest and other money payable by the Mortgagor under the principal Deed and this deed.(iii)All the powers, covenants and provisions contained in the Principal Deed shall apply for enforcing payment of all Principal money, interest and other money payable by the Mortgagor under this Deed in like manner as they apply for enforcing payment of Principal money, interest and other money payable by the Mortgagor under the Principal Deed.

3. And in further pursuance of the agreement and covenants referred to above, the mortgagor hereby agrees to insure against fire up to the full amount of the loan secured by this deed and the Principal Deed, the entire machinery and stock in mortgagor's ----- and if Government so desires, all other property hereby mortgaged and that the

policy of insurance shall be taken out in the joint name of the mortgagor and the Punjab Government and that it shall be deposited with the Director of Industries, Punjab. The mortgagor shall pay all premiums, and at his own cost renew the policy every year during the currency of the loan, failing which Government may pay the same and such premiums shall form part of the loan secured with interest under this mortgage.

4. The mortgagor shall be required to put up engraved metal plates of the prescribed size containing the words "pledged to Government" at his own cost on every machine and shall be liable to pay as liquidated damages a sum not exceeding Rs. 500 if he wilfully removes or defaces the plate.

5. It is further agreed by the mortgagor that notwithstanding any thing hereinbefore contained, Government or the Director of Industries, Punjab, may by the appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given, as shall suffice in their or his opinion to safeguard the interest of Government in such industrial concern, and that the mortgagor shall forthwith comply with all recommendations made by the Director of Industries, or the Director so appointed.

6. It is further agreed with any plant or machinery purchased by the mortgagor with the loan and mortgaged hereby whether specified in the deed as security or not shall, until the amount due under this and the principal deed are repaid in full, remain hypothecated to the Government as collateral security and any transfer thereof, assignment of any right, title or interest therein or the creation of any mortgage, encumbrance or any other charge thereon by the mortgagor shall be void against Government unless it has been made or created with the previous written consent of the authority sanctioning the loan.

7. It is further agreed with until the entire amount is repaid with interest, the mortgagor will undertake free training of apprentices selected by the Director of Industries, Punjab, not exceeding three in number, at any one time, in the work carried on by he mortgagor and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

8. It is further agreed with the stamp on this instrument shall be borne by the mortgagor and the same shall be presented for registration by the mortgagor and registered at his own cost.

9. Government shall be entitled to enforce this mortgage subject to its rights under the principal Deed dated ----- without suing on the basis of the said principal deed.

"Schedule I"(Above referred to)In witness whereof the parties have hereunto set their hands on the dates, respectively, mentioned against their signatures in the ----- year of the Republic of India.(1)----- (in case of an individual)Signed by the above named mortgagor Shri ----- Proprietor of -----In the presence of :I. (1) Signature(2)Occupation(3)Address.II. (1) Signature.(2)Occupation.(3)Address.Signed by the above named firm partner of the said firmthrough theIn the presence of :-I. (1) Signature(2)Occupation(3)Address.II. (1) Signature.(2)Occupation.(3)Address.N.B. - The Director of Industries should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and attention is called to section 58(d), of the Indian Partnership Act, 1932; failing which a special power-of-attorney should be demanded from, absent partners in favour of the persons signing, which should be retained with Government's copy of the mortgagor.(2)(In the case of a society).The seal of the ----- (the society hereinbefore referred to) was hereunto affixed by virtue or a resolution of Governing Committee No. -----, dated the -----, date of ----- 199 .In the presence of :-Member of the Governing Committee.Member of the Governing Committee.Member of the Governing Committee.

3. (In the case of a company)

The seal of the ----- Company, Limited was hereunto by virtue or a resolution of Board, No. -----, dated the -----, date of ----- 199 .[Form 'P'] [Inserted by Punjab Government Notification No. G.S.R. 220/P.A./5/35/S. 46/Amd.(2)/64, dated the 22nd September, 1964.]Personal bond to be executed by the borrowerWhereas, I applied for a loan of Rs. ----- and a loan of Rs. ----- has been sanctioned to me by the Director of Industries/District Industries Officer ----- under the provisions of the Punjab State Aid to Industries Act, 1935, and whereas I am required to execute a bond in respect of the loan of Rs. -----I -----, son of -----, caste -----, resident of village -----, post office-----, tehsil, -----, district ----- hereby agree and bind myself, my heirs (assignees) and representatives to the Governor of Punjab as under :-(1)That I shall apply the money lent to me for the purpose of ----- for which it has been sanctioned and to no other purpose.(2)That I shall fulfil all the conditions specified on which the loan has been sanctioned and maintain a regular and complete account of the expenditure incurred in order to prove the proper utilization of the loan advanced to me.(3)That I shall be bound by all the provisions of the Punjab State Aid to Industries Act, 1935, and the rules made thereunder from time to time and shall comply with all the directions of Director of Industries, Punjab, issued to me thereunder from time to time.(4)That I shall pay back to the

Director of Industries, Punjab, the said amount of Rs. ----- along with the interest at the rate of Rs. ----- per cent per annum in the following instalments on or before the dates mentioned below :-(i)Rs. ----- on the ----- day of -----(ii)Rs. ----- on the ----- day of -----(iii)Rs. ----- on the ----- day of -----(iv)Rs. ----- on the ----- day of -----(v)Rs. ----- on the ----- day of -----(vi)Rs. ----- on the ----- day of -----and shall on the same date pay with each instalment interest at the rate aforesaid from the date of this bond on the said sum or on so much thereof as shall remain due on the said rates.(5)That the Director, Industries, Punjab, may at my request extend the date of payment of any or all of the aforesaid instalments.(6)That if I do not properly utilize the loan, or if do not comply with any condition of the loan or any provisions of Punjab State Aid to Industries Act, 1935, or the rules made or to be made thereunder or if I make default in the payment of the whole or any part of the instalment or interest due on the date or dates on which the same is payable, then the whole of the said loan and interest then remaining due to the said Governor, shall become immediately payable and recoverable from me.(7)That I agree to pay the stamping charges of this bond myself.

Signature -----
Dated -----day of-----199.(i)Witness
----- Address
----- (ii)Witness-----
Address -----