

# **The Rajasthan Loans To Small Mining Lessees Rules, 1982**

RAJASTHAN

India

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### **Rule**

### **THE-RAJASTHAN-LOANS-TO-SMALL-MINING-LESSEES-RULES-1982 of 1982**

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The Rajasthan Loans To Small Mining Lessees Rules, 1982 Published vide Notification No. 6 (73) Khan Gr./11/81 dated 28-1-1983. Published in Rajasthan Gazette Extra Ordinary part 4(C)(i), dated 29-1-1983, page 349=1983 RSCS 177 to 188 GSR No. 113. - The Governor has been pleased to accord sanction to the following rules for loans to small mining lessees and quarry owners in Rajasthan, namely:-

#### **1. Short title & Commencement.**

- (i) These rules may be called the Rajasthan Loans to Small Mining Lessees Rules, 1982. (ii) They shall come into force on the date of their publication in the Rajasthan Rajpatra.

#### **2. Supersession.**

- These rules will supersede the Rajasthan Government Loans to Small Mining Lessees and Quarry Owners Rules, 1961.

#### **3. Purpose for which Loans may be granted.**

- The loans may be granted for one or more of the following purpose:- (i) Construction of building, godown, well, tank, lime kiln or other works connected with the mines; (ii) Purchase of machinery, equipment, tools, plants, appliances and accessories and erection thereof; (iii) Removal of overburden, and (iv) Any other purpose connected with the mine development as may be approved by the authority competent to grant loan.

#### **4. Persons who shall be eligible for grant of loan.**

- the persons holding a mining lease under Mineral Concession Rules, 1960 or a mining lease or a rent-cum royalty lease under the Rajasthan Minor Mineral Concession Rules, 1977 shall be eligible for the grant of loan: Provided that persons who pay more than Rs. 25,000/- per annum as dead-rent or rent from one or more leases or rent-cum royalty leases, shall not be eligible: Provided also that from amongst the applicants for loan, preference shall be given to the applicants belonging to Scheduled Castes and Scheduled Tribes.

#### **5. Amount of loan.**

(1) The amount available for loans shall be limited to the budget provision in this regard in a particular year. (2) Loan shall not be granted for an amount less than Rs. 2,000/- and more than Rs. 2,00,000/- to any one applicant: Provided that no loan shall be granted to an applicant against whom dues of the department are outstanding: Provided further that no fresh loan shall be granted to those whom loan had been granted earlier and who have not repaid the complete amount of loan together with interest: Provided also that the authority competent to grant loan may sanction loan for an amount less than the one applied for due the reasons to be recorded in writing.

#### **6. Application for loan.**

(1) Application for grant of loan shall be submitted to the Asstt. Mining Engineer or Mining Engineer in whose jurisdiction the mine for which the loan is applied falls, in duplicate in form 'A' appended to these rules. (2) Every application for grant of loan shall be accompanied by- (i) A no dues certificate from the Asstt. Mining Engineer/ Mining Engineer in whose jurisdiction the applicant holds mining lease or rent-cum-royalty lease. (ii) An affidavit that he was not granted loan under these rules earlier or that the loan granted earlier has been fully repaid with interest and other dues. (iii) An affidavit that the property which is offered as security as per Rule 9 belongs to him and is not subject to any encumbrance or charge or any interest of claim by way of inheritance or gift and that the present market value of this property is not less than the amount of security as per Rule 9. (iv) Detailed specifications and price of machinery/equipment/tools/plant/appliance together with the quotations obtained by him for its purchase. (v) Detailed drawings and cost estimates of building/godown and other works in case the loan is required for construction thereof. (vi) Map of the mines (including plan, longitudinal and cross sections) and calculations for the overburden removal, in case the loan is required for the purpose of removal of overburden. (vii) A declaration regarding the period within which the loan amount shall be utilised.

#### **7. Power to sanction loan.**

- (i) The Asstt. Mining Engineer, Mining Engineer, Supdt. Mining Engineer and the director of Mines and Geology will have the powers to sanction loans in any one case upto the amount mentioned below:-

Secretary, Mines	Chairman
Directory, Mines and Geology	
Finance Secretary or his nominee	

## 8. Disposal of application.

## 9. Security for loan.

## 10. Valuation Certificate of Securities.

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## **11. Insurance of mortgaged property.**

- The applicant shall, within a period of 3 months from the date of receipt of the loan amount insure all the properties mortgaged by him to Government against damage by fire, riots, civil commotion etc. with the Insurance Company approved by Government and assign the policy to the Government of Rajasthan. No property is, however required to be pledged for loans upto Rs. 5,000/-.

## **12. Sanction to be Communicated to Audit.**

- All sanctions of loans shall be communicated to the concerned Mining Engineer/Asstt. Mining Engineer and Audit by the sanctioning authority.

## **13. Disbursement of Loan.**

- After the loan is sanctioned the Mining Engineer/Asstt. Mining Engineer concerned would disburse the loan on execution of an agreement in the form prescribed in appendix 'B' and mortgage deeds or personal bond in the form prescribed in appendix 'C' as the case may be.

## **14. Period of loan.**

(1) Every loan together with interest shall be repayable in seven annual instalments, the first instalment falling due after two years from the date of disbursement of loan: Provided that the borrower may repay the amount of loan earlier by paying the due amount in full or by paying more than one instalment in any year: Provided also that in the exceptional circumstances the Director of Mines and Geology and the Government may permit the borrower to repay the loan in 8 years and upto 10 years respectively in place of 7 years.

## **15. Calculation of instalments.**

- Instalment for recovery of a loan shall be worked out in accordance with the following formula:-

$$I = \frac{M + L \cdot 2}{1} + P$$

Where 'I' stands for the amount of instalment, 'M' stands for the interest on total amount of loan for one year, 'L' stands for interest on one equated instalment of principal for one year and 'P' stands for equated instalment of principal for one year.

## **16. Rate of interest.**

- The interest on the amount given on loan shall be chargeable at the rate of 15% per annum: Provided that a discount of 3% in this rate would be allowed if the instalment is paid on or before the due date.

## **17. Recovery of loan if instalment not paid.**

- If any instalment including interest therein is not paid within 30 days of the due date, the entire balance amount of loan may be recovered in lump- sum from the loanee and also the sureties by the concerned Mining Engineer/Asstt. Mining Engineer, under the provisions of Land Revenue Act and/or confiscation of the hypothecated equipment and property. For the amount not paid within 30 days of its becoming due interest @15% per annum would be chargeable.

## **18. Recovery of loan utilised for purpose other than those for which it was sanctioned.**

- All loans granted under rule 7 must be utilized within a period of four months of their disbursement for the purpose for which they are granted and certificate of utilization has to be submitted to the Mining Engineer/Asstt. Mining Engineer concerned within 15 days of the completion of utilization period. If it is found that a loan is not being applied to the purpose for which it was granted or the work is not completed within 4 months time without sufficient reasons or the loanee has ceased to possess the Mining Lease for which the loan was granted, the Asstt. Mining Engineer/Mining Engineer shall immediately take action under the Land Revenue Act for the recovery of the entire loan or the balance money outstanding against the borrower with interest @15% till such period the amount remains unpaid.

## **19. Appeal against order for recovery under Land Revenue Act.**

- Appeals against the order of recovery of the amount of loan, interest thereon or any other sums due under these rules shall lie before the Revenue Board.

## **20. Inspection.**

- The borrower shall during the pendency of loan permit all officers of the department of Mines and Geology not below the rank of Mines Foreman at all reasonable times to inspect the premise, account books, machinery, plants, buildings, appliances, furniture, stocks and stores and all other belongings and things connected with business in respect of which the loan has been granted and to provide all reasonable facilities for such inspection. The Mines Foreman or any other officer authorised by the concerned Asstt. Mining Engineer/Mining Engineer shall makes inspection at least once in a year and shall certify that the entire material and property for which loan has been granted is intact and installed, kept and maintained in good condition.

## **21. Property purchased out of loan to be kept in good repairs.**

- Any building godown, warehouse and other works constructed or purchased and any machinery, plant, appliances etc. purchased out of the loan granted under these rules shall be hypothecated in the name of the Department of Mines and Geology within one month of its purchase or construction or erection as the case may be and the same shall be maintained by the loanee at his own cost in

good efficient repair to the satisfaction of the Mining Engineer/Asstt. Mining Engineer concerned. Annexure 'A' Application for grant of Loan to Mining Lessees (Rule 6) To, The Mining Engineer/Asstt. Mining Engineer, Department of Mines and Geology, Government of Rajasthan..... Dear Sir, I/We ..... beg to apply for loan under Rajasthan loans to Small Mining Lessees Rules, 1983. The required particulars are given below:

1. (A) In case the applicant is an individual:-

(i) Name of the applicant along with father's/husband's name .....

(ii) Caste .....

(iii) Address  
(a) Permanent .....  
(b) Present .....

(B) In case the applicant is a firm/company/society:-

(i) Name of the firm/company/society .....

(ii) Postal Address .....

(iii) Place of principal business .....

(iv) Place of registration .....

(Enclose list of Partners/Directors/Members)

2. Details of Mining leases and rent-cum-royalty leases held:-

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Name of lease along with village and Distt. in which the lease falls	Name of mineral(s)	Extent of area	Period of lease and date of commencement	Annual dead-rent	Present production (Average of last two years)
1	2	3	4	5	6

|-| 3. (i) Name of the mine for which loan is required| .....|-| (ii) Amount of loan required. | .....|-| (iii) Purpose (s) for which loan is required. | .....|-| (Enclose (i) detailed specifications and price of machinery/equipment etc. together with quotations obtained for its/their purchase: (ii) detailed drawings and cost estimates of building and other works in case loan is required for construction thereof; (iii) map of the mines (including longitudinal & cross

sections) and calculation for the overburden removal in case loan is required for purpose of overburden removal). 4. Total proposed investment: (i) Amount of loan required ..... (ii) Amount invested or to be invested by the applicant (s) from his or their resources. .... (5) Current borrowings: (i) From any of the Government Department ..... (ii) From any of the State Boards. .... (iii) From State Finance of any of the Corporation of Rehabilitation Department of State/Government of India. .... (iv) From Banks or other money lenders ..... (v) Details of mortgages and other charges if any on present and future assets of the applicant. .... 6. Nature of security offered: (i) In case of property the particulars of property or properties proposed as security against the loan asked for. .... (ii) In case of personal surety the name and full address of the surety as also the description of property owned by him with the market value. .... (enclose valuation certificate as required by rule 10) 7. Attested/Certified copies of the: (i) Balance sheets ..... (ii) Profit and loss statement for the last three years. .... 8. Likely increase in production in respect of each item of production as a result of grant of loan. .... 9. Likely increase in employment. .... 10. Other enclosures as required by rules: (i) ..... (ii) ..... (iii) ..... I/We ..... declare that particulars given above are correct and I/We shall furnish any other details required for in this connection on demand.

Yours faithfully,

Place..... Signature..... Name..... Designation.....

Annexure 'B' Model form of deed This deed is made this ..... day of ..... 19..... between the Governor of Rajasthan (hereinafter referred to as the Government which expression where the context so admits include his successors in office and assigns) of the one part and- (1) When the borrower is an individual..... (Name of person) (hereinafter referred to as 'the borrower' expression shall, where the context so admits, include his heirs, executors, administrators, representatives and permitted assigns). (2) When the borrowers are more than one individual.....

of (Name of person)

and (Address and Occupation)

of (Name of person)

and (Address and Occupation)

of (Name of person)

(Address and Occupation)

(hereinafter referred to as 'the borrower' expression shall, where the context so admits include their respective heirs, executors, administrators, representatives and permitted assigns). (3) When the borrower is a firm.....

(Name of person)

of (Address)

and (Name of person)

of (Address)

and (Name of person)

of Address)

All carrying on business in partnership at (address of the firm) under the name and style of (Name of the firm).....(hereinafter referred to as the "Borrower" (which expression shall, when the context so admits, include all the partner of the said firm, their representatives, heirs, executors, administrators and permitted assigns.)(4)When the Borrower is a Registered Company.....(name of company) a company REGISTERED UNDER.....=(Act under which incorporated) and having its registered office at .....(Address) ..... = .....hereinafter referred to as the "Borrower" which expression shall where the context so admits, include its successors and permitted assigns).Of the other part:Whereas the borrower has applied to the Government for the advance of loan of Rs repayable with interest as hereinafter mentioned by instalments hereinafter specified, with the security of a mortgage as hereinafter described for the starting/development of and whereas the Government has agreed to advance the said loan repayable as aforesaid with the aforesaid security on the terms and conditions hereinafter contained:Now this deed witnesses as follows:-

**1. In pursuance of the said agreement and its consideration of the sum of Rs.....to be advanced by the borrower, for the purpose of..... the borrower hereby covenants with the Government as follows :-**

(1)The borrower shall repay to the Government the said sum of Rs.....in six instalments of Rs.....each and the last instalment of Rs.....payable on the following dates :-

Instalments	Due date
1st instalment	.....
2nd instalment	.....
3rd instalment	.....
4th instalment	.....
5th instalment	.....
6th instalment	.....
7th instalment	.....
Total: .....	

(2)The borrower shall pay to the Government interest at the rate of 15% per annum on the said sum of Rs..... (Less amounts repaid) and on such amount as might have accrued in arrears for interest:Provided that where any instalment is paid on the due date, the Government shall accept the interest at the rate of 12% instead of 15% on the amount of that instalment, if paid alongwith the interest.(3)The borrower shall utilise the sum advance for .....within four months from the date on which the said sum of Rs..... is received by him from the Government(4)The borrower shall use the said sum of Rs.....advanced by the Government only for the purpose for which it is advanced and for no other purpose.(5)The borrower shall keep proper and regular accounts of the running of the said industry/mine in the form in which accounts are kept by men of business, and shall, for every month of the English calendar, send a monthly progress report of the industry/mine and trial balance within less than 10 days of the end of the month to the Director of Mines and Geology, Rajasthan, Udaipur and also to the Mining Engineer/Asstt. Mining Engineer concerned of the State



Department of Mines and Geology.(6)The borrower, shall permit the Director of Mines and Geology, Rajasthan, Udaipur and other officers of the State Departments of Mines and Geology or any other person authorised in this behalf by the Government at all reasonable times, to inspect the premises, accounts books, machinery, plants and appliances, furniture, stock and stores etc. and all other belongings and things connected with the Industrial undertaking Mines in respect of which the loan has been granted and grant reasonable facilities for such inspection.(7)If and so often as the borrower shall commit breach of any of the covenants the said sum of Rs..... including interest less amount that might have been repaid by the borrower shall if such notice is given in writing by the Mining Engineer/Asstt. Mining Engineer to borrower become due and payable with effect from such date as may be mentioned in the notice.

## 2.

(1)For the consideration aforesaid and in further and in pursuance of the aforesaid agreement, the borrower hereby grants and transfers by way of simple mortgage to the Government all that property described in the schedule hereto, to the intent that the said property hereby mortgaged shall remain and be charged by way of simple mortgage as security for the payment on account of principal and interest in accordance with the covenants herein obtained.(2)The borrower hereby covenants with the Government that the said property is free from encumbrances.(3)It is hereby agreed and declared that in case of default in the payment of such sum on account of principal and interest as may become due under the covenants hereso contained, the Government may forthwith enforce against the said property hereby mortgaged or any part thereof all or any of the remedies of the holders of the simple mortgage, and may sell it by public auction or private contract without intervention of the Court with power to buy in or at such sale and that the rights conferred by this sub-clause shall be without prejudice to the right, conferred by clause 4(1) thereof hereinafter contained.

## 3. It is hereby further agreed and declared:-

(1)That all amounts that might become due hereunder to the Government whether by way of principal or interest or otherwise may be recovered in accordance with the provisions of the Land Revenue Act and that this right shall be in addition and without prejudice to the right conferred by clause 2 (3) herein above contained: and(2)that the stamp duties and registration fees payable in respect of this deed shall be paid by the borrower.

## Schedule

(Description of immovable property mortgaged hereinunder by borrower to the Government).....IN WITNESS WHEREOF this deed has been signed by the borrower and by ..... on behalf of the Government the day and year hereinabove mentioned.

Signed by the Borrower

.....

Witness 1 .....

Witness 2 .....

Signed on behalf of the Governor of Rajasthan .....

Annexure 'C' Model form of Bond This Bond is made the ..... day of..... between.....hereinafter called "the borrower" of the one part AND.....(hereinafter called the "Surety") of the second part AND the Governor of Rajasthan hereinafter called the "Government" of the third part. Whereas the borrower has applied to the Government for the advance of a loan of Rs..... payable with interest as hereinafter mentioned by instalments hereinafter specified for.....And whereas the Government has agreed to advance the said loan payable as aforesaid, on the terms and condition hereinafter contained, and on the further condition that the repayment is secured by a promise by the surety to discharge the liability of the borrower in manner hereinafter described. Now This Bond Witnesses As Follows:-

**1. In pursuance of the said agreement and in consideration of the sum of Rs..... to be advanced by the Government to the borrower is aforesaid, the borrower and the surety hereby covenant with the Government as follows:-**

(1)The borrower and the surety shall repay to the Government the said sum of Rs by six instalments of Rs.....each and the last instalment of Rs.....payable on the following dates:-

Instalments	Due date
1st instalment	.....
2nd instalment	.....
3rd instalment	.....
4th instalment	.....
5th instalment	.....
6th instalment	.....
7th instalment	.....
Total: .....	

(2)The borrower shall pay to the Government interest at the rate of 15% per annum on the said sum of Rs (Less amounts repaid) and on such amount as might have accrued in arrears for interest:Provided that where any instalment is paid on the due date, the Government shall accept interest at the rate of 12% instead of 15% on the amount of the instalment, if paid alongwith the interests due.(3)The surety shall, alongwith the borrower, be liable for repayment of the said sum of Rs.....and interest thereon as aforesaid, in the manner described in sub-clauses (1) and (2) above, and the liability of the surety and borrower shall be joint and several.(4)The borrower shall utilise the sum advanced for within four months from the date on which the said sum of Rs is received by him from the Government.(5)The borrower shall use the said sum of Rs.....to be advanced by the Government only for the purpose for which it is advanced and for no other purpose.(6)The borrower shall keep proper and regular accounts of the running of the said industry/mine in the form in

which accounts are kept by men of business, and shall for every month of the English Calendar send a monthly progress report of the industry/mines and trial balance within not less than 10 days of the end of the month, to the Director of Mines and Geology and also to the Mining Engineer/Asstt. Mining Engineer concerned of the State Department of Mines and Geology. In witness whereof this bond has been signed by the borrower, the surety and the.....on behalf of the Government the day and year herein above mentioned.

Signed by the Borrower	.....
Witness 1	.....
Witness 2	.....
Signed by the surety	.....
Witness 1	.....
Witness 2	.....
Signed on behalf of the Governor of Rajasthan	.....