

The Punjab State Aid to Industries (Grant of Subsidies) Rules, 1976

PUNJAB

India

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Rule

THE-PUNJAB-STATE-AID-TO-INDUSTRIES-GRANT-OF-SUBSIDIES-RULES of 1976

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The Punjab State Aid to Industries (Grant of Subsidies) Rules, 1976Published vide Punjab Government Notification No. GSR 133 P.A. 5/35/S. 46/76, dated 19.11.1976

1.

These rules may be called the Punjab State Aid to Industries (Grant of Subsidies) Rules, 1976.

2.

In these rules, unless the context otherwise requires, -(a)"Act" means the Punjab State Aid to Industries Act, 1975;(b)"Director" means the Director of Industries, Punjab;(c)"District Officer" means the Senior District Industries Officer and includes the District Industries Officer holding independent charge of a District and the Project Officer (Industries);(d)"Form" means a form appended to these rules;(e)"section" means a section of the Act.

3.

An application for the grant of subsidy under section 32 shall be submitted to the Director in Form "A" through the District Officer.

4.

The Director shall submit the application to the Government for orders.

5.

The subsidy sanctioned by the Government shall be paid to the grantee after he has executed a bond in Form 'B' along with two sureties. In cases where the subsidy is granted for the purchase of machinery or for the construction of worksheds, godowns, or pits, the amount shall be deposited in the State Bank of India or the State Bank of Patiala in a joint Account to be opened in the name of the grantee and the District Officer. The District Officer shall have the right to operate the joint account without the consent or authority of the grantee. The amount from the joint account shall be released to the grantee in lump-sum or in instalments against the actual purchase of machinery on the production of invoices to the satisfaction of the District Officer.

6.

The amount of subsidy shall be utilised by the grantee for the purpose for which it is given within a period of six months from the date of disbursement which is to be reckoned from the date of execution of the bond as required by rule 5.

7.

The grantee shall not be granted any subsidy unless he agrees to spend from his own resources an amount equal to the amount of subsidy for the purpose for which the subsidy is to be granted.

8.

The grantee shall submit to the Director through the District Officer :-(i)a report within one month of the expiry of the period for the utilisation of the amount of the subsidy under rule 6 showing the details of expenditure of the amount supported by receipts duly verified by the latter;(ii)a six-monthly progress report in form 'C' for a period of three years on the work for which the subsidy was given;(iii)such other information as may be required by the Director or the District Officer with regard to the utilisation of the amount of the subsidy and the work for which the subsidy was sanctioned.

9.

The grantee shall maintain a register of accounts in form 'D' which would be open to inspection by an officer or official authorised by the Director in this behalf.

10.

Where the Director is satisfied that there has been a breach or non-compliance with any of these rules by the grantee or that any of the conditions of the grant of subsidy has not been fulfilled, he may call upon the grantee or his sureties jointly or severally to refund the amount of the subsidy alongwith the interest at such rate as may be fixed by the Government in this behalf from time to time, to be calculated from the date of disbursement of the amount of subsidy. In case the grantee or his sureties fail to comply with the orders of the Director, Government may pass order for the recovery of the amount alongwith interest due thereon, as arrears of land revenue under section 35 of the Act, from the grantee or his sureties as the case may be.

11.

The amount of the subsidy granted by Government shall be the first charge on the industry set up by the grantee and no assets of the industry shall be sold without consent of the Director.

12.

The grantee shall comply with such other directions as may be given by the Director in respect of the utilisation of the amount of subsidy. Form 'A' (See rule 3) Form of application for grant of subsidy under the Punjab State Aid to Industries Act, 1935

1. Name, Parentage, caste and residence of applicant (In case of firm, its name and style and principal place of business)

2. Amount of subsidy applied for

3. Capital already invested and/or to be invested in the undertaking

4. Object for which the subsidy is needed together with details of its proposed utilisation under the following heads :-

(a) Research Work (b) Land and building (c) Machinery (detailed list to be appended) (d) Working capital

5. Technical knowledge and experience of applicant

6. Business and commercial experience of applicant

7. Financial standing of applicant

8. Does the applicant already possess a factory ? If so, give a list of machinery installed and the existing manufacturing capacity per month.

9. Number and designation of the technical staff employed or proposed to be employed after the grant of subsidy

10. Number of workers employed or proposed to be employed after the grant of subsidy

11. Goods proposed to be manufactured and state of demand in the country

12. Are the raw materials readily available and in the required quantities ?

13. Where is the product proposed to be sold ?

14. Whether any other loan, subsidy or grant is being availed of by the applicant/or firm and if so, the amount of aid sanctioned. The date and authority of the sanction should be specified.

15. Period during which the scheme contemplated is likely to be completed.

16. Any special reasons for the subsidy asked for

Note. - A detailed statement showing the scope and economics of the proposed industry, analysis of cost of various operations of manufacture, raw materials, wages, depreciation of machinery and equipment and complete costs of manufacture, sale price of finished goods and probable profits on sale must accompany this application. Signature of the applicant. Form 'B' (See rule 5) Know all men by these presents that we, son of resident of (hereinafter referred to as 'grantee') son of resident of and son of resident of (hereinafter referred to as the sureties) do hereby bind ourselves jointly and severally to the Governor of Punjab (hereinafter referred to as the Government) for the payment to him of the sum of Rs. (Rupees). Signed, sealed and delivered this day of dated (grantee) (surety) Whereas the above bounded grantee applied to Government for the grant of a sum of Rupees as subsidy under section 17(c) of the Punjab State Aid to Industries Act, 1935. And Whereas Government has been pleased to grant the said amount by way of subsidy in accordance with the provisions of the said Act and the rules made thereunder subject to grantee and the sureties executing the aforesaid bond. Now the above written bond is conditioned to be void in case the grantee uses the said sum promptly, diligently and faithfully solely for the purpose mentioned in the

schedule to this Bond and for no other purpose, and carries out the conditions of the said Act and Rules and those hereinafter contained or if the grantee or the sureties shall pay the said sum of Rs. with with interest at per cent per annum as from the date of the R.T.R. issued for the payment of the said sum to the grantee. Otherwise the above written bond shall remain in full force and effect notwithstanding that no demand be made by or on behalf of Government or of any waiver or omission by Government or any of its officers or servants.

Conditions(1)The said sum of Rs. including contribution of the grantee will be utilised within six months for the purpose hereinbefore stated and for no other purpose whatsoever.[(1-A) The grantee shall submit a report to the Director of Industries, Punjab, through the District Officer concerned, within one month of the expiry of the period for the utilisation of the amount of the subsidy under rule 6 showing the details of expenditure of the amount supported by receipts duly verified by the latter.] [Added vide Legislative Supplement Part III, dated 7.8.1980.](2)The work and account books of the grantee will be open to inspection by the Director or such other officer as may be appointed by him or by Government in this behalf and that Director's instructions for better workmanship or accountancy shall be complied with by the grantee.(3)All machinery or anything purchased or acquired with the said subsidy for the purposes mentioned in the Schedule shall during the subsistence of this bond, be and remain the property of Government and shall be held by the grantee as trustee of Government and no part of the machinery or any other property acquired with the said subsidy will be sold or otherwise transferred or disposed of without the consent of Government and if so required the grantee shall at his own cost insure all such machinery or things against fire.(4)The grantee shall submit a progress report every six months from the date of receipt of subsidy and continue to do so far a period of three years from the date of the purchase of machinery or of full utilisation of the subsidy.(5)The grantee shall devote a period of at least three years from the date of the purchase of the entire machinery on the development of industry for which the subsidy is granted.(6)[The said subsidy amount 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.] [Added vide Legislative Supplement Part III, dated 7.8.1980.]The parties hereto hereby further agree as follows :-(a)The stamp duty on this instrument shall be borne by Government but this document shall be registered by and at the expense of the grantee if and when it is so required by the Director.(b)Any forgiveness or forbearance or grant of time or any other indulgence by the Government to the grantee shall not in any way release or exonerate the sureties or either of them in respect of their or his liability hereunder nor shall it be necessary for the Government to sue the grantee before suing the sureties.(c)If any question of difference or objection, whatsoever shall arise in any way connected with or arising out of this instrument or the meaning or operation of any part thereof or the rights, duties or liabilities of either party, then, save in so far as the decision of any such matter is hereinbefore provided for and has been so decided, every such matter including whether its decision has been otherwise provided for and/or whether it has been finally decided accordingly, or whether this bond or declaration of trust has been discharged and as regards the rights and obligations of the parties as the result of such termination, shall be referred for arbitration to the Secretary to Government, Punjab. Industries Department, or his nominee and his decision shall be final and binding and where the matter involves a claim for or the payment or recovery or deduction of money only the amount, if any, awarded in such arbitration shall be recoverable in respect of the matter so referred. In witness whereof the parties hereto have executed this bond on the dates respectively given under their signatures.

In the presence of

Dated _____

1. Witness _____

Occupation _____ Dated _____

Address _____ Surety

2. Witness _____
Dated _____

Occupation _____

Address _____

Signed in token of acceptance by Deputy Director of Industries, Punjab, at _____ for
and by order of the Governor of Punjab. Dated _____ Witness

1. _____

Schedule

*1. Construction of Sheds/buildings (in respect of Cottage or Village Industry only)*2. Purchase of Machinery.*3. Development of working capital for industry.*4.

_____ * Delete whichever is not applicable. Form 'C' (See Rule 8)

Progress report from to
(Punjab State Aid to Industries Act, 1935)

1. Name of the grantee or concern.

2. Amount of subsidy granted.

3. Date of grant of subsidy.

4. Nature of the industry subsidized.

5. Whether the subsidy has been utilised for the purpose for which it was granted?

6. Specific purpose for which subsidy was granted.

7. Amount spent on -

(i)The purchase of machinery and equipment (give brief details).(ii)Research.(iii)Any other object.

8. Accounts maintained, if any.

9. Total output of the factory for the period under report.

10. Total sales.

11. Stock in hand at the end of the last half-year or at the beginning of the period of first report :-

(i)manufactured goods.(ii)raw materials.

12. Cost of raw materials purchased.

13. Cost of labour and staff employed.

14. Profit or loss since the grant of subsidy.

15. The achievements of the concern after the grant of subsidy.

16. Any other remark.

17. Present stock -

(i)Raw Material.(ii)Finished goods.TotalSignature of grantee with full address