RAJASTHAN STATE AID TO INDUSTRIES (ALLOTMENT OF SHEDS IN INDUSTRIAL ESTATES) RULES, 1964

INDUSTRIES (A) DEPARTMENT Jaipur, August 19. 1964. NO. F. 3 (23) Ind/A/60 excrgise of the powers conferred by sub. section (I) of section 8 read with section 5 of the Rajasthan State. Aid •to Industries Act, 1961 (Rajasthan Act 25 of 1961), tbc State Government hereby makes the following rules governing State Aid by allotment or factory sheds in Industrial Estates in Raajsthan, namely (As amended upto 1980) 1540 1. 2

3. Short Title, Extent and Commencement :—(1) These rules may be called the Rajasthan State Aid to Industries (Allot. ment of sheds in Industrlal Estates, Rules, 1964. (2) They extend to the whole of the State of Rajasthan. (3) They shall come into force at once. Application They shall apply to all Industrial Estates built or to be built in Rajasthan. Definitions :— In these rules, unless the subject or context otherwise requires (i) 'Act' means the Rajasthan State Aid to Industries Act, 1961 (Rajasthan Act 25 of 1961) : (i-A) 'Allottee' means a person to whom a shed is allotted on outright sale basis; (ii) 'Corporation' means the Rajasthan State Industrial Development and Investment Corporation Ltd,, Udhyog Bhawan, Jaipur. (iii) Deleted (iv) 'District Officer' means the Dy. Director (Infra)/Resident Engineer or any officer authorised by the Corporation. (v) 'Estate' means an Industrial Estate, whether Urban or Rural, set up by the Government in the State of Rajasthan and which has been transferred to the Rajasthan State Industrial Development and Investment Corpora- tion Ltd., (vi) 'Form' means a form appended to these rules; (vii) 'Government' means the Government of Rajasthan; (viii) 'Hire purchaser' means an industrialist who accepts the allotment of sheds on hire purchase basis; (ix) 'Lease' means the allotment of an area of land for industrial purposes for a period of 99 years; (x) 'Lessee' means an industrialist who accepts the allotment of a shed or plot on lease basis; (xi) 'Owner' means the Rajasthan State Industrial Development and Invest* ment Corporation Ltd., Udhyog Bhawan, Jaipur. (xii) 'Plot' means a piece of iand in the area of an Industrial Estate; 1541 (xiii) 'Rent' means either subsidised or standard rent as the case may be; (xiii-a) "Service charges" means charges that may be levied and recovered from 4. 5. an allotteelHirc purchaser of a shed and allottee of land under rule 14 (l) by the Corporation in lieu of the services rendered by the Corporation for the up-keep and maintenance of the Estate such as providing street lighting, Conservancy services, maintenance of drainage and roads' 'a (xiv) 'shed' means a factory shed build by the Corporation in an Estate for allotment on lease or on hire purchase basis or on out right sale basis to those who arc desirous of settirg up small scale industries therein. For the purpose allotment on hire purchase or out-right sale basis, it shall include the land on which it has been built; (xv) all other words and expressions used but not defined under these rules shall have the meanings respectively assigned to them under the Act. Rule 4 deleted vide notification No. F. 7 (3) rnd/Gr. 11/75 dated 13.5.1976 published on 3.6.1976 in the Rajasthan Rajpatpa part 4 (l). Application for allotment of shed Application for allotment of sheds shall be made in

Form IE (l) to the Deputy Director (Infra)/Resident Engineer or any other officer authorised by the Corporation. where an Estate in which shed applied for is situated. Printed form of application shall be made available to the applicant against payment of Rs. I I—Every such application shall be accompanied by 6. (i) earnest money equal to th.:ee months, standard rent for the class of shed applied for; (ii) fcur cc.pics of a detailed scheme of the small scale cottage industry 10 be set up in tbe shed applied for; and (iii) summary of the application Form IE (2). The application so received shall be forwarded by the Deputy Directer (Infra)/Resident Englneer or any other officer authorised by the Corpo- ration to the Corporation. Disposal of application for allotment of shed (i) The District Officcr will place before the Corporaiion all the application received fcr allotment of sheds for consideration. The Corporation may grant or reject any of the application, as it deems fit. (ii) Where the Corporation feels that more than one applicant for allotment of shed can be accommodated in a single shed or more than one applicant •ply for allotment of one shed jointly, the allotment shall be made 1542 7. 8. accordingly. In this case the applicants shall execute the lease deed and be responsible for payment of rent of the shed, jointly in proportion to the space occupied by each constitute. The Corporotion will commuuicate the decision to the applicant in Form No. IE (3). In case applications are granted the Corporation shall issue order in Form No. JE (4). Acceptance of allotment order The applicant shall on receipt of the allotment order communicate his acceptance in form IE (5) to the Deputy Director (Infra)/Resident Engineer or any other omcer authorised by the Corporation, within 15 days or such period as may be extended by the Corporation for reasons to be recorded in writing, failing which the earnest money shali be liable to be forfeited. The applicant shall also indicate his choice, if the said allotted shed is required on lease basis or on hire- purchase basis

9. Transfer of possession of shed : After receipt of the letter of acceptance, the Corporation shall arrange transfer of possession of the shed to lhe allottee against an acknowledgement in

10. Lease of sheds : Allotment of sheds on lease basis Shall be on the following terms and conditions
(i) the lessee shall' execute a lease deed in

form IE (7) (ii) the lease shall be for a period of 30 years in the first instance renewable for an another period of 30 years at the option of the lessee on a rent not exceeding double the rent in the preceding period. The Icase shall be liable to be terminated at any time by either party by giving in writing a notice of three months to that effect. (iii) the repairs due to ordinary wear and tear of the shed shall be responsi- bility of the Corporation, but damages, if any caused to the shed shall be got repaired by the allottee within one month or the Corporation shall get it done and recover the cost from the allottee; (iv) water connection in the shed shall be provided by the Corporation. The power connection will be taken by the lessee at his ow•n cost; (v) all dues including those on account of water and power consumption and taxes including property taxes shall be payable by the lessee; 1543 (vi) the rent as fixed by the Corporation from time to time according to the manner prescribed in the schedule shall be payable by the lessee in advance every month by 10th of the month to which the rent relates. In case of non„payment of rent by the due date mentioned herein above, simple interest @ 120/0 per annum or as is determined by the Corporation from time to time shall be charged. Arrears of two months rent shall amount to breach of the terms of lease contract; (vii) The shed shall be used for setting up a small scale industry for which it is allotted by the Corporation and for no other purpose except with the previous permission of the Corporation; (viii) The lessee shali not sub-let, under let, mortgage or otherwise alienate or transfer or part with the possession of the shed or any right or interest therein. He shall also not take any partner without the prior permission of the Corporation in writing. Provided that in case after the industry has been set up and gone into production, the lessee at any time expresses his inability to carry on the industry due to financial or other reasons and the Corporation is satisfied that he is actually not in a position to run the industry, the lessee can sell the industry inclusive of the machinery and other material therein but excluding the shed and lease rights thereof, with the prior permission of the Corporation in writing. (ix) The production in tbe shed shall start within a period of six months from the date on which the possession is delivered. The Corporation may, however, at its option, extend the time limit upto a maximum period of three months for reasons to be recorded in writing (x) failure on the part of the lessee to comply with any of the conditions stated above shall amount to breach of contract and the Corporation shall have a right to get the shed vacated forthwith; (xi) the allottee shall not carry out any additions and alterations to the main shed and buildings without the prior approval of the Corporation and; (xii) in case the allottee suspends or closes running of the industry in the shed at any time for a period exceeding six months, the Corporation as the case may be, shall terminate the lease by giving one month's notice and resume the possession of the shed; (xiii) The lessee shall during the term of lease also keep the shed insured at his cost with an Insurance Company of repute with Corporation as 11, beneficiaries against loss or damage by fire and all other risks and in such sum as determined by the Corporation and shall dcposit with it such Insurance policy and receipts for payment of premium in respect of the same. Hire-purchase of shed Allotment of sheds on hite-purchase shall be on the following terms and conditions : — (i) the shed shall be leased out to hire-purchaser for a period of 15 years subject to the conditions that he shall have an option to purchase it on the expiry of this period provided, he has paid all the instalments; (ii) The hire-purchaser shall pay 20% of the cost of the shed as is fixed by the Corporation in thc manner prescribed in the schedule as first Instalment in advance and the remaining amount alongwith interest @ 6% per annum shall be payable in 15 equal annual instalments. Each instalment shall fall due on the first day of twelfth month from the date on which possession of shed allotted on hire purchase basis was given to the hire- purchaser. The Corporation may on the application of the hire-purchaser extend this period upto two months in hard case for reasons to be recorded in writing. (iii) in case failure to pay any instalment on due date, the Corporation shall have a right to terminate the contract of hire-purchase by serving one month's notice and in that case the shed shall be treated on lease basis according to rule 10 above; Provided that in case the instalment due is paid within the period of notice such period shall be treated as a further extension over and above the two month's extension referred to in clause (ii) above and a penal interest @ 9% per annum shall be charged on the amount of over due instalments for the entire period for which default has been made; (iv) The hire-purchaser shall not sub-let, under-let, mortgage or otherwise alienate or transfer or part with the possession of the shed or any right or interest therein till all the hire-purchase instalments have been paid except as provided hereunder (l) The shed can be transferred within a period of ten years from the date of commencement of hire purchase with the prior approval of the Corporation in .writing and on payment in lump sum of twice the cost of the shed, recoverable on hire purchase basis or thc market value of the shed

(to be determined in consultation with 1545 the state Public Works Department or any other appropriate autho- rity of the Government), whichever is higher. The instalments already paid will be adjusted against this amount. (2) The shed can be transferred after ten years from the date of hire. purchase, with the prior permission of the Corporation, in writing and on payment in lump sum the remaining instalments; (v) the shed shall be used for setting up a smali scale industry for .which it is allotted by the Corporation and for no other purpose except with the previous permission of the Corporation in writing; (vi) the. hire-purchaser shali keep the shed in a condition of good repairs. in the event of his failure to do so, the Corporation shall get it repaired and recover the cost of repairs from the hire-purchaser; (vii) till all the instalments towards the hire-purchase price of the shed are paid, the hire-purchaser shall keep the shed insured with any Insurance Company, in the name of Corporation against loss or damage by fire and all other risks as the Corporation may require in such sum as is equivalent to the cost of the shed, and shall deposit with the Corporation all such insurance policies and receipts for payment of the premiums in respect of the same; (viii) the production in the said shed shall be started within a period of six month from the date on which the possession is delivered. The Corporation may, however, at its option, extend the time limit upto a maximum period cf three months for reasons to be recorded in writing . (ix) the hire-purchaser shall execute an agreement, in Form IE (8); (x) the hire-purchaser shall not carry out any additions and alterations to the main shed and building without the approval of the Corporation. (xi) in case lhe hire.purchaser suspends or closes running of the industry in the shed at any time for a period exceeding six months. the Corporation shall terminate the allotment by giving one month's notice and resume the possession of the shed; (xii) Breach of any of the above conditions Shail entitle the Corporation to terminate the allotment by giving one month's notice and to resume the possession of the shed thereafter. (xiii) Clause (Kiii) deleted vide notification No. 26 (18) IRd/A/65 dated 12-6-1970. 1546 11. 11. 12: A. B. Conversion of existing lease basis sheds into Hire-Purchase basis (i) The lessee to whom a shed has been allotted on lease basis may option for hire-purchase of shed in Form No. IE (9) within a period of three months from the date of publication of these rule in the offcial gazette, irrespective of the fact that he has already given option under the existing rules, on acceptance of option for hire- purchase basis, the amount of rent paid by him under the lease for the period subsequent to the date of his option shall be adjusted towards the initial instalment of 20% of the cost of the shed and the annual hire-purchase instalments. (ii) After adjustment of the amount of rent towards the initial instal- ment of 20% and instalments, if there is any shortfall, such amount shall be paid by the lessee a period of 2 months from the date of demand made by the Corporation. (iii) In case where the option has been accepted by the Corporation the allotment on hire-purchase basis shall be deemed to have come into force from the date, the hire-purchaser desired the option to be enforced in form IE (9) and the period of 15 years during which the entire cost of the shed is to be paid shall be determined from that date. (iv) Other conditions will be the same as mentioned in rule above, provided however, that the agreement shall be executed in Form No. 'E-(11). Hire purchase of sheds by those who fail to give options The 1<see who fails to exercise option under rule I I—A may also at any time. during the period of lease apply for hire purchase of sheds under rule I i above. In this case no credit of lease money already paid shall be given. Allotment of shed on out-right sale basis Allotment of shed on out-right sale basis shall be on the following terms and conditions :— (i The cost of shed at is arrived at by the Corporation in the manner perscribed in the schedule shall be paid by the allottee within 2 months from the date of demand made by the Corporation. (ii) The shed shall be used for setting and running ofa small scale industry for which it is allot ted and for no other purpose. 1547 (iii) The production in the shed shall be started within a period of six months from the date on which possession is delivered. The Corporation may however at its option extend the time limit upto a maximum period of three months for reasons to be recorded in writing. if any, may be made within the shed by the (iv) Additions and alterations, allottee at his cost with the prior permission of the Corporation in writing. (v) In case the allottee suspends or closes running of the industry in the shed at any time for a period exceeding six months it shall be treated as a breach of the terms and conditions of allotment of shed s. (vi) In case any default is made by the allottee in respect of any of the terms and conditions aforesaid, the said plot of land shall revert to the Corporation and the allottee shall have to remove therefrom at his cost all the buildings and structures constructed by him thereon. In casc of his failure to do so, the Corporation shall have a right to dispose of the said structures and building in any way it likes and to refund the proceeds to the allottee after recovering all the sums due to it from the allottee. (vii) The allottee shall not subject, underlet or

otherwise alienate or transfer or part with the possession of the shed or any right or interest therein, except as provided hereunder :— the shed can be transferred within a period of ten years from the 1. date of allotment with the prior approval of the Corporation in wri- ting and on payment in lump sum of twice the cost of the shed or the market value of the shed (to be determined in consultation with the State Public Works Department, or any other appropriate autho- rity of the Government), whichever is higher. The cost already paid will be adjusted against this amount

2. The shed can be transferred with the written permission of the Corporation after the full payment for it has been made and it has been utilised for the ptupose for which it was alloted

13. Conversion of existing lease basis sheds into out-right sale basis sheds (i) A lessee to whom a shed has been allotted on lease basis may opt for out-right sale basis in Form No.JE (12) within a period of three months from the date of publication of these rules in the official Gazettee. On acceptance of option for out-right sale basis the amount of rent paid by him under the lease shall be adjusted towards the cost of shed. 1548 (ii) The allotment of shed on out right sale basis under sub-rule (i) above, shall be effective from the date on which the entire cost has been paid by the allottee. (iii) The cost of shed as is arrived at by Lhe Corporation in the manner prescribed in the schcdule shall, after adjustment of the amount of the rent already paid by the lessee. be paid by him within a period of two months from the date of demand by the Corporation and in case of his failure to do so, the allotment on out right sale basis sllall be deemed to have been withdrawn. (iv) It is not obligatory on the part of the Corporation to accept all the options received for conversion into out right sake basis. The Corpora- tion shall not accept the option ot the lessee if the industry is not running in the shed to its satisfaction. (v) The lessee who fails to exercise option under sub-rule (1) may during the period of leasc/hire purchase apply for outright purchase of sheds under this rule within a period of six months from the date of publica- tion of this notification No. F. IO (3) Ind/Gr. 11/73 dated 21st September, 1977 in the Rajasthan Rajpatra. The amount of rent deposited so far by way of lease money/hire purchase instalments, shall be adjusted againts the price payable for sheds. Interest will be charged on the outstanding balance amount with effect from 17th September, 1970 at the rates prescribed by the Rules. (vi) Other conditions shall be the same as mentioned in rule (12) above

14. Allotment of plots of land in the Industrial Estates The Corporation may allot for the purpose of constructing a shed by the allottee at his cost with the object of setting up a small scale Industry on plot of land, if available over ard above, the requirements ofa particular Industrial Estate to the applicants for allotment of sheds or to those who specifically apply for allotment of plot.(2) The applications for allotment of plot shall be made in thc Forms ME (l) and IE (2) and in the same manner as indicated in rule 5 above. The amount of earnest money shall however, be Rs. 5001— per plot of any size. (3) The allotment of plots shall be governed by the Rajasthan Industrial 1959 issued vide Notification No. F. 5 (199) Areas Allotment Rules, 1549 LSG/A/S9, dated 21-12-59 with the modification that the programme of construction of a shed and of production shall be as under (i) Contruction to be started within 3 months from the date on which the possession of the plot is delivered; (ii) Construction to be completed within next six months. The Corpora. tion may at its option extend the period as be deem proper for reasons to be recorded in writing , (iii) machinery to be installed and production started within next three months. The Corporation can, however, at its option extend the time limit upto a maximum period of three months for reasons to be recorded in writing ; and (iv) that the allottee shall execute a lease-deed in

Form IE (IO), (4) The land covered by a shed allotted under rule 11, I I—A, I I—B. 12and13 shall be on lease basis under the Rajasthan Industrial Areas Allotment Rules, 1959 and the allottee shaik execute a separate lease deed in respect of this land in Form No. [E (13) and pay the lease amount accor- ding to these rules

15. All tbe allottes shall :—(i) furnish all information and periodical reports and returns pertaining LO the industy set up in the shed as required by the corporation or any other omcer of the Corporation connected with the affairs in an Industrial Estate ; (ii) permit access to any person or persons nominated by the Corporation to inspect running of Lhe industry in the shed ; (iii) Keep the premises neat and clean and also equip the shed with fire extinguiser ; (iv) Comply with the instruction issued from lime to time by the Corpora— tion or any other omcer connected with the affairs of the Estate ; and (v) comply with these rules as amended from time to time. 15-A, Service cbarges All the allottees and hire purchasers undær rule 11, 11-B, 12 and 13 and allottees of plot under rule 14 (l) shall pay service charges as fixed by the Corporation from time to iime and from such date as is fixed by the Corporaticr. These charges shall be 'subject to revision after evtry five years. 1550

16. Refund and forfeiture of Earnest money :—(a) Refund The earnest moncy deposited with the application for allotment of shed or plot will be refunded by the Deputy Director (Infra)/Resident Engineer or any other omcer authorised by the Corporation in the follo- wing cases (i) Where the applicant has withdrawn his application for allotment of shed or plot, before the decision of the Corporation allotting him a shed/plot is communicated to him ; (ii) Where a shed or plot has been allotted, or the plot has been rejec- ted by the Corporation after due consideration ; and (iii Where a shed or plot has been allotted, the earnest money shall be refunded after the deed has been executed and the unit has star- ted production. (b) Forfeiture :— The earnest money deposited with the application for allotment of shed or plot shall be forfeited in the following cases : (i) Where an allotment of shed has been made by the Corporation but the applicant has failed to accept it within the specified period referred to in Rule b ; (ii) Where the allottee after he has accepted the allotment and has been required to take over the possession has failed to take It over within the period specified in conditions 2 & 3 of the order of allotment in

Form IE (1), and (iii) Where the industry set up by the allottee bas not gone into produc- tion within the period specified in rules IO (ix), 11 (viii) & 14 (3) (iii)

17. Mode of recovery of dues All amounts payable to corporation under these rules shall be recovered as arrears of land revenue under the Rajasthan Land Revenue Act, 1956 18. Repeal and Saving Except as provided in these rules, all rules and orders in relation to matters covered by these rules and in force immediately before the commencement Of these rules are hereby repealed. A. Provide that nothing in these rules shall affect the previous operation of the rules hereby repealed or any action taken thereunder. By Order of the Governor T. N. Chaturvadi Secretary to Government SCHEDULE Procedure for calculating rent of sheds :— l. 2. 3

4. The Capital cost (C.C.) of an Estate shall be : (i) Cost of construction of all sheds in an Estate excluding the cost of land and the cost of devel(pment plus. (ii) Development charges to be arrived at on actual area of land cove- red by the sheds (A. S.) according to the Rajasthan Industrial Areas allotment Rules 1959 (rounded off to the next above hundred rupees). The annual rent (A. R.) o? all the sheds built in an Estate shall com- prise of the following : (i) Interest @ on the Capital cost (C. C.) (ii) Administrative and maintenance charges @ 321% of Capital cost (C.c.), and (iii) Depreciation @ 2% of the Capital cost (C. C.) [i. e. (i) plus (ii) plus (C. c.)x10 R.] or 100 Monthly rent per square feet (R) shall be arrived at by dividing A. R. by A. s.x12 i. e. A. s.x12 paise). —R (Rounded off to the next above whole Monthly rent of a shed shali be as under (a) Rxarea of shed, plus. (b) lease money of the area of land covered by shed according to the Rajasthan Industrial Areas Allotment, Rules, 1959 (Rounded off to the above whole rupee) 1552 B. C. Note :—Pending calculation of rent, the Corporation may determine a provisional rent of the shed on the basis of the advise of P. W. D. Rent of building other tban sheds The monthly rent of buildings other than the factory sheds in an Estate shall be determined by the Public Works Department of the State Government. Determination of cost of *bed for the purposes of recovery under rule 11, 11.A 11-B, 12 and 13. 1. 2

3. Cost of sheds per square feet (R) shall be arrived at by dividing the total cost of construction of sheds (C) excluding the cost of land and the cost of development by the total atea of the sheds (A).c Development charges (D) shall be determined for the area of land covered by a shed according to the Rajasthan Industrial Areas Allotment Rules, 1959. Cost of shed sbail be arrived at by multiplying the area ofa shed (s), with rate (R) according to clause I above and adding thereto develop. ment charges (D) according to clause 2 above. (SxR. plus D) Note :—Pending calculation of cost of shed, the Corporation may deter- mine a provisional cost of the shed on the basis of the advice of the P. W. D. Serial No. Registrration No. To.

FORM-I.E.(I) (See rule 5) price Rs. ll—only of Application... Form of Application for Allotment of Shed/Plot. Deputy Director (Infra)/Resident Engineer, RIICO. Sir, I/ We hereby apply for allotment of... .. ..(c]ass) built shed/plot of land on which shed will be built at mylour expenses in the Indu- strial Estate under the Rajasthan State Aid to Industries (Allotment of Sheds 1553 in Industrial Estates Rules, 1964). A demand Draft/Challan No. dated ... ... of the Bank of. for Rs. ... . being the earnest money is enclosed. Four copies of the scheme for setting up .. industry for which shed/plot has been applied for are also enclosed. Further information to consider my/our application is furnished below : l. 2, 3. 4

5. Name of the applicant. Whether the applicant is an Industrial, Partnership Firm, Private or Public Company or Co-operative Society ? Address (in full) of the applicant. (a) Factory. (b) Offce. (c) Residential. Name of the persons having legal status to sign on behalf. of the applicant, together with his Itheir designations and addresses. In case applicant bei ag an existing Manufacturing or Business concern : (i) Nature of manufacture of Business. (ii) Capital Investment : (a) Blocked capital (b) Working capital. (iii) Number of: (a) Supervisors. (b) Skilled workers. (c) Un-skilled workers. (iv) Date of establishment. (v) Number of shifts working in a day 1554