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**The Goa, Daman and Diu  
State-Aid to Industries Act, 1965**

### The Goa, Daman and Diu State-Aid to Industries Act, 1965

1. **The Goa, Daman and Diu State-Aid to Industries Act, 1965 (No. 15 of 1965) [15th October, 1965]** published in the Official Gazette, Series I No. 31 dated 28<sup>th</sup> October, 1965 and came into force w.e.f. 01-06-1966.
2. **The Goa, Daman and Diu State-Aid to Industries (Amendment) Act, 1982 (No. 7 of 1982) [14-06-1982]** published in the Official Gazette, Series I No. 13 dated 24-06-1982 and came into force at once.

#### Arrangement of Sections

1	Short title, extent and commencement
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3	Power of State Government to grant loans to village and small scale industries
4	Applications for loans
5	Repayment of Loans
6	Modes of recovery of loans
7	Power to make rules

#### GOVERNMENT OF GOA

#### Legislature Department

LA/3271/65

The following Act passed by the Legislative Assembly of Goa, Daman and Diu received the assent of the President of India on the 15th October, 1965 and is hereby published for general information.

### The Goa, Daman and Diu State-Aid to Industries Act, 1965

(No. 15 of 1965) [15th October, 1965]

An Act to regulate grant of loans to Small Scale and Cottage Industries in the Union territory of Goa, Daman and Diu, and for purposes connected therewith.

Be it enacted by the Legislative Assembly of Goa, Daman and Diu, in the Sixteenth Year of the Republic of India, as follows:—

**1. Short title, extent and commencement.**— (1) This Act may be called the Goa, Daman and Diu State-Aid to Industries Act, 1965.

(2) It extends to the whole of the Union territory of Goa, Daman and Diu.

(3) It shall come into force on such date as the State Government may by notification in the Official Gazette appoint, and different dates may be appointed for different areas.

**2. Definitions.**— In this Act, unless the context requires otherwise —

(a) “borrower” means a person who has received a loan under this Act, and which has not been repaid in full in accordance with section 5;

(b) “cottage industry” means an industry specified as such by rules made by the State Government, regard being had in particular to the fact that such industry is carried on by an artisan in or near his home, and the capital of which does not exceed Rs. 25,000/- (or such other sum as the State Government may from time to time in such rules denote);

(c) “industry” means the manufacture, preservation or processing of goods, or any handicrafts, or industrial business or enterprise, carried on by any person;

(d) “loan” means a loan granted under this Act;

(e) “prescribed” means prescribed by rules under this Act;

(f) <sup>1</sup>[ “small scale industry” means any industry notified as such by the Central Government, from time to time.];

(g) “State Government” means the Administrator appointed under Article 239 of the Constitution.

**3. Power of State Government to grant loans to village and small scale industries.**— For the purpose of encouraging the economic development of the Union territory in general, subject to such rules as may be made under section 7, loans may be granted under this Act, by such officers of the State Government as the State Government may empower in this behalf, to small scale and cottage industries.

**4. Applications for loans.**— (1) Any person desiring to obtain a loan under section 3 for any cottage industry or small scale industry, shall make an application addressed to the officer empowered under that section in such form and containing such particulars, as may be prescribed.

(2) The officer, on receiving an application under sub-section (1) may, after making such inquiries as he thinks fit, but subject to any rules made under section 7, grant the loan applied for.

**5. Repayment of Loans.**— Every loan shall be re-payable by instalments (in the form of annuity or otherwise) together with interest (including penal interest), if any, at such rate or rates and within such period from the date of actual advance of the loan, as may, from time to time, be prescribed by rules made under section 7:

Provided that nothing in this section shall prevent the borrower from repaying all or any of the instalments of the loan at any time earlier than the due date.

**6. Modes of recovery of loans.**— (1) Subject, to any rules made under section 7, all loans, all interest (including any penal interest) chargeable thereon and costs incurred in making or recovering the same, shall be recoverable when they become due, by the Collector, or such other officer as the State Government may authorise in this behalf, on receipt of the intimation from the authority sanctioning the loan, in one or more of the following modes, namely:—

(a) from the borrower — as if they were arrears of land revenue due by him;

(b) from his surety, if any — as if they were arrears of land revenue due by him;

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<sup>1</sup> Substituted by the Amendment Act 7 of 1982.

(c) out of the assets created out of the amount of loan advanced — according to the procedure for realisation of land revenue by the sale of such assets;

(d) out of the property comprised in the collateral security (if any) — according to the procedure for the realisation of land revenue by the sale of such property.

(2) Where any sum due on account of any such loan, interest or costs is paid to the Collector or any other officer referred to in (6) (1) by a surety or an owner of property comprised in any collateral security, or is recovered under sub-section (1) by the Collector from a surety or out of any such property, the Collector shall, on the application of the surety or the owner of that property as the case may be, recover that sum on his behalf from the borrower, or out of the assets of the industry for the benefit of which the loan was granted in the manner provided by sub-section (1).

**7. Power to make rules.**— (1) The State Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the manner of making applications for loan, the form of the application and particulars of the form under sub-section (1) and the manner of conducting inquiries relating to such applications under sub-section (2) of section 4;

(b) the nature and extent of security to be taken for the due application and repayment of money, the rate of interest at which and the conditions under which, loans may be granted, and the manner and time granting loans;

(c) inspection of works for which loans are granted;

(d) the instalment by which and the mode in which the loans, the rates of interest (including any penal interest), if any, to be charged on loans and the cost incurred in the making thereof, shall be paid, under section 5;

(e) the manner of keeping and auditing the accounts of the expenditure of loans, and of the payment made in respect of the same;

(f) the valuation of securities;

(g) the insurance of property mortgaged for securing the loans;

(h) the form of agreement, deed and mortgage deed in respect of the property offered as security for the loan; and

(i) all other matters pertaining to the working of this Act.

(3) All rules made under this section shall be subject to the condition of previous publication.

(4) All rules made under this section shall be published in the Official Gazette and shall be laid for not less than thirty days before the Legislative Assembly as soon as may be after they are made and shall be subject to such modification as the Assembly may make, during the session in which they are so laid or the session immediately following.

Secretariat,  
Panjim,  
October 25, 1965.

P. B. VENKATASUBRAMANIAN,  
Secretary to the Government of Goa,  
Daman and Diu.