

ORISSA ACT XXII OF 1947

THE BIHAR AND ORISSA STATE AID TO INDUSTRIES (ORISSA AMENDMENT) ACT, 1947

[Received the assent of the Governor on the 8th July 1947, first published in an extraordinary issue of the Orissa Gazette, dated the 12th July 1947]

AN ACT FURTHER TO AMEND THE BIHAR AND ORISSA STATE AID TO INDUSTRIES ACT, 1923, IN ITS APPLICATION TO THE PROVINCE OF ORISSA

WHEREAS it is expedient further to amend the Bihar and Orissa State Aid to Industries Act, 1923, in its application to the Province of Orissa in the manner hereinafter appearing; Bihar and Orissa Act VI of 1923.

It is hereby enacted as follows:—

Short title and commencement.

1. (1) This Act may be called the Bihar and Orissa State Aid to Industries (Orissa Amendment) Act, 1947.

(2) It shall come into force at once*.

Amendment of section 2, Bihar and Orissa Act VI of 1923.

2. In section 2 of the Bihar and Orissa State Aid to Industries Act, 1923 (hereinafter referred to as the said Act)—

(a) after clause (1) the following clause shall be inserted namely:—

“(1-A) ‘cottage industry’ means any industry that is carried on in a place which is not a factory for the purposes of the Factories Act, 1934;”

Bihar and Orissa Act VI of 1923.

XXV of 1934

(b) after clause (5) the following clause shall be inserted, namely:—

“(6) ‘village industry’ means any industry which forms the normal occupation, whether whole-time or part-time, of any class of the rural population of the Province.”

Amendment of section 3, Bihar and Orissa Act VI of 1923.

3. In section 3 of the said Act for sub-section (4) the following sub-section shall be substituted, namely:—

“(4) The remaining members shall be appointed by the Provincial Government:

Provided that the Board shall have power to co-opt for the discussion of any particular question before it, experts specially qualified to advise on the matter in question or having special knowledge of local conditions in any area where the industry in question is situated:

Provided further that any member co-opted shall have no right to vote.”

*NOTE—(1) Extended to the partially-excluded areas of Sambalpur, Angul and Khondmal by notification No 8825-D., dated the 23rd July 1947 and to that of Ganjam and Koraput by No. 12965-D., dated the 13th November 1947 (Vide Orissa Gazette, dated the 1st August 1947, page 237 and the 13th November 1947 Extraordinary issue.

Amendment
of section 4,
Bihar and
Orissa Act
VI of 1923.

4. In section 4 of the said Act—

(a) for clause (f) the following clause shall be substituted, namely :—

“(f) the payment of subsidy—

(i) in the case of cottage industry, for any purpose connected with the establishment or running or expansion and development of such industry; and

(ii) in the case of any other industry, for the conduct of research or the purchase of machinery” ;

(b) after clause (g) the following clause shall be inserted, namely :—

“(h) the supply of electric energy at concessional rates from a source which is the property of the Crown for the purposes of the Province”.

Amendment
of section 5,
Bihar and
Orissa Act
VI of 1923.

5. In clause (a) of section 5 of the said Act—

(1) in sub-clause (ii) the word “or” shall be omitted ;

(2) in sub-clause (iii) after the words “a cottage industry”, the word “or” shall be inserted ; and

(3) after sub-clause (iii) the following sub-clause shall be inserted, namely :—

“(iv) old or established industries :

Provided that State aid shall not be given to any old or established industry unless the Provincial Government are satisfied that special reasons exist for giving such aid”.

Insertion of
new section
6, Bihar
and Orissa
Act VI of
1923.

“Delegation
of power to
give State
aid”.

6. After section 5 of the said Act, the following section shall be inserted, namely :—

“6. (1) The Provincial Government may empower any authority subordinate to the Provincial Government to grant State aid for the purpose of any cottage industry in one or more of the forms specified under clauses (a), (b) and (f) of section 4 on such terms and conditions and with such limitations or restrictions as they deem fit. Thereupon such authority shall grant State aid in accordance with such rules as may be prescribed up to an amount or value not exceeding five hundred rupees in each case.

(2) The Provincial Government may empower any authority subordinate to the Provincial Government to grant State aid for the purpose of any industry other than a cottage industry in one or more of the forms specified under clauses (a), (b) and (g) of section 4 on such terms and conditions and with such limitations or restrictions as they deem fit. Thereupon such authority shall grant State aid in accordance with such rules as may be prescribed up to an amount or value not exceeding five thousand rupees in each case :

Provided that in cases mentioned in sub-sections (1) and (2) it shall not be necessary for such authority to refer the applications for State aid to the Board under section 7”.

Amendment of section 7, Bihar and Orissa Act VI of 1923.

7. In sub-section (2) of section 7 of the said Act after the words "every application" the words "except such as are referred to in section 6" shall be inserted.

Insertion of new section 8-A, Bihar and Orissa Act VI of 1923.

8. After section 8 of the said Act the following section shall be inserted, namely :—

"Power of Board to make regulations".

"8-A. (1) The Board may make regulations in regard to the following matters, namely :—

- (i) the time and place of its meetings ;
- (ii) the manner in which notice of meetings shall be given ;
- (iii) the conduct of proceedings at meetings ;
- (iv) the division of duties among the members of the Board ;
- (v) the appointment, duties and procedure of special committees consisting wholly of members of the Board or partly of such members and partly of other persons ; and
- (vi) generally, the carrying out of the purposes of this Act.

(2) Any regulation made under sub-section (1) which is repugnant to the provisions of any rule made under section 32 shall, to the extent of such repugnancy, but not otherwise, be void".

Insertion of new section 8-B, Bihar and Orissa Act VI of 1923.

9. After section 8-A of the said Act, the following section shall be inserted, namely :—

"Supersession of Board".

"8-B. (1) If at any time it appears to the Provincial Government that the Board is not properly performing the duties imposed upon it by or under this Act, the Provincial Government may, after considering the explanation, if any, offered by the Board, by an order in writing specifying the reasons for so doing, remove all appointed and elected members of such Board and direct that the vacancies shall thereupon be filled by election in respect of elected members and by appointment in respect of appointed members or that all the vacancies shall be filled by appointment.

(2) From the date of an order under sub-section (1) until the vacancies are filled, all powers and duties of the Board shall be exercised and performed by such person, in such manner, as the Provincial Government may direct".

Insertion of new section 15-A, Bihar and Orissa Act VI of 1923.

10. After section 15 of the said Act, the following section shall be inserted, namely :—

Exemption of certain industries from the operations of sections 9, 10 and 12".

"15-A. Save as may otherwise be prescribed, nothing in sections 9, 10 and 12 shall apply to any industry with a capital outlay not exceeding two thousand rupees or to any cottage industry for which the State aid granted does not exceed three thousand rupees in value."

Substitution of new section for section 17, Bihar and Orissa Act VI of 1923.

11. For section 17 of the said Act, the following section shall be substituted, namely:—

"Subsidies"

"17. (1) The condition of a grant of subsidy to industries other than cottage industries for the conduct of research or the purchase of machinery or of any payment under guarantee of minimum return on the paid-up capital or the grant, on favourable terms of land, raw material, firewood, water or other property of the Crown, or of the supply from Government source of electric energy at concessional rates, shall ordinarily be—

(a) that an amount equal to the sum paid or to the money value of the grant or concession as fixed at the time when it was made shall be repaid to the Provincial Government at the close of such term of years as may be fixed by the Provincial Government in this behalf, if within that term the Industry be shown to the satisfaction of the Provincial Government to be paying interest or dividend upon the capital invested in such an industry in excess of such rate as the Provincial Government may determine;

(b) that such State aid shall be discontinued if the industry be shown to the satisfaction of the Provincial Government, to be earning profit in excess of such rate as the Provincial Government may prescribe.

(2) No subsidy to an industry other than a cottage industry shall exceed forty per cent of the cost of research or of the cost of the machinery, as the case may be."

Insertion of new section 19-A, Bihar and Orissa Act VI of 1923.

12. After section 19 of the said Act, the following section shall be inserted, namely:—

"Power of Provincial Government to terminate State aid on account of default".

"19-A. If the Provincial Government, after considering the explanation, if any, offered by the owner of any industry, decide for reasons to be recorded in writing to terminate State aid in respect of an industry on any of the following grounds, namely:—

(i) that any portion of the State aid given has been misapplied,

(ii) that there has been a breach by the owner of the industry of the provisions of this Act or of any rule made thereunder or of any condition of the grant.

- (iii) that the application on which the State aid has been granted contained, or was accompanied by, any material statement by the owner which he knew to be false, or any intentional concealment by him of any material fact, which in the opinion of the Provincial Government it was his duty to disclose, or that any such false statement or concealment was intentionally made in any enquiry made under this Act by or with the connivance of the owner or in any return under this Act, or in reply to any requisition for information under this Act, or
- (iv) that the industry is being managed in such a manner as to endanger the repayment of the value of State aid granted thereto repayable under this Act,

the Provincial Government may make an order that the State aid be terminated and, notwithstanding anything contained elsewhere in this Act or in any other enactment, may proceed to recover from the owner as an arrear of land revenue—

- (a) the whole amount or any loan outstanding, together with such interest as may be due thereon, or
- (b) in cases where the aid is given otherwise than by loan, the money value of the grant or concession as fixed at the time when it was made, together with interest at a rate not exceeding twelve and a half per cent from the date of the grant or concession till the date of realisation, and
- (c) in the cases mentioned in clause (a) or clause (b) the cost of recovery, and, if the Provincial Government so direct the cost of any enquiry made in connection therewith,

and such order shall be final and shall not be called into question in any Court."

Amendment of section 20 Bihar and Orissa Act VI of 1923.

13. In sub-section (1) of section 20 of the said Act for the words "public demand" the words "arrears of land revenue" shall be substituted.

Insertion of new section 20-A, Bihar and Orissa Act VI of 1923.

14. After section 20 of the said Act, the following section shall be inserted, namely:—

"Levy of fees".

"20-A. The Provincial Government may charge in respect of applications, enquiries, inspections and audit by whomsoever made under the provisions of this Act, such fees, if any, as may be prescribed."

Amendment of section 32, Bihar and Orissa Act VI of 1923.

15. In sub-section (2) of section 32 of the said Act—

- (1) after clause (b), the following clause shall be inserted, namely:—

gation of power to give State aid and the manner of making grant under section 6;"

(2) after clause (h) the following clause shall be inserted, namely :—

“(hh) the conditions under which and the security on which loans shall be granted or guarantees of a cash credit, overdraft or fixed advance with a bank given to industries referred to in section 15-A;” ;

(3) in clause (i) after the word “grants” the words “and the rate of profits” shall be inserted ; and

(4) after clause (k) the following clause shall be inserted, namely :—

“(kk) fees that may be charged under section 20-A;”.

Amendment
of section 33
Bihar and
Orissa Act
VI of 1923

16. In the proviso to section 33 of the said Act—

(1) in clause (e) the word ‘or’ shall be omitted;

(2) at the end of clause (f) the word ‘or’ shall be added; and

(3) after clause (f) the following clause shall be inserted namely :—

“(g) assist a village industry in any manner which may be determined by the Provincial Government.”