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THE ARUNACHAL PRADESH KHADI AND VILLAGE INDUSTRIES BOARD ACT 1989 (ACT NO 5 OF 1989)

[Assented by the Governor of AP on 8.5.1989 and published in AP EOG No 129 Vol IV Dtd 17.05.1989]

1. Amended by the ARUNACHAL PRADESH KHADI AND VILLAGE INDUSTRIES BOARD (Amd) ACT 1998 (Act no 2 of 1989)
[Assented by the Governor of AP ON 9.3.1999 and published in AP EOG No 19 Vol IX Dtd 22.3.1999]

AN ACT

to provide for the establishment of a Board for the development of Khadi and Village Industries in the State of Arunachal Pradesh and for matters connected therewith.

Be it enacted by the Legislative Assembly of Arunachal Pradesh in the Fortieth Year of the Republic of India as follows:

CHAPTER I

PRELIMINARY

Short title, extent and commencement.

- I. (1) This Act may be called the Arunachal Pradesh Khadi and Village Industries Board Act, 1989.
- (2) It extends to the whole of the State of Arunachal Pradesh.
- (3) It shall come into force on such date as the Government may, by notification in the Official Gazette, appoint.

Definitions

2. In this Act, unless the context otherwise requires,-

- (a) "Board" means the Arunachal Pradesh Khadi and Village Industries Board established under section 4 of the Act ;
- (b) "Chairman" means the Chairman of the Board
- (c) "Commission" means the Khadi and Village Industries Commission established under section 4 of the Khadi and Village Industries Commission Act, 1956 (Central Act 61 of 1956) ;
- (d) "Government" means the Government of Arunachal Pradesh;
- (e) "Khadi" means any cloth woven on Handloom in India from Cotton. Silk or Woollen Yarn hand-spun in India or from a mixture of any two or all of such yarns and shall include readymade garments made out of such cloth ;
- (f) "member" means a member of the Board ;
- (g) "prescribed" means prescribed by rules made under this Act ;
- (h) "Regulations" means Regulations made by the Board under this Act;
- (i) "Secretary" means Secretary of the Board ;
- (j) Vice-Chairman" means Vice-Chairman of the Board ;
- (k) "Village Industries" means,-
 - (i) all or any of the Industries specified in the schedule to the Khadi and Village Industries Commission Act, 1956 (61 of 1956) including any other industry deemed to be specified in that schedule by reason of a notification under section 3 of that Act ; and
 - (ii) any other industry that may be specified in this behalf by the Government by notification in the Official Gazette.

Power to add industry to the schedule

3. (1) The Government may on its own motion or on the recommendations of the Commission or the Board, by notification in the Official Gazette, specify any industry in addition to the industries, included in the schedule to the Khadi and Village Industries Commission Act, 1956 (61 of 1956) as a Village Industry.
- (2) A copy of every notification issued under sub-section (1) shall be laid before the State Legislative Assembly, as soon as may be after it is issued.

CHAPTER II

ESTABLISHMENT AND CONSTITUTION OF THE BOARD

Establishment of the board

4. (1) With effect from such date as the Government may, by notification in the Official Gazette fix in this behalf, there shall be established a Board to be called the Arunachal Pradesh Khadi and Village Industries Board for the purpose of this Act.

(2) The Board shall be a body corporate having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract and may, by the said name, sue and be sued :

Provided that any lease, sale or transfer to any person or authority other than the Commission, of any immovable property belonging to the Board shall be void unless it is sanctioned by the Government.

Constitution of the Board

5. (1) The Board shall consist of not less than five and not more than nine members appointed by the Government after consultation with the Commission from amongst-

(a) non officials, who in the opinion of the Government are qualified as having experience and fit, in matters relating to the development of Khadi and Village Industries programmes ;

(b) officials not exceeding one-fourth of the total members.

(2) The Government may, after consultation with the Commission, nominate one of the members of the Board to be the Chairman of the Board and the Chairman shall exercise such powers and perform such functions as may be prescribed. (

(3) The Government may after consultation with the Commission, appoint from among the other members of the Board, as Vice-Chairman who shall exercise such powers and discharge such functions as may be prescribed or delegated to him by the Chairman.

(4) The Government may, in consultation with the Commission, appoint from among the other members other than the Chairman or the Vice-Chairman to be the Secretary of the Board who shall exercise such powers and discharge such duties as may be prescribed or as may be delegated to him by the Chairman.

(5) In the event of any vacancy that may arise in the office of a member of the Board by reason of death, resignation, removal or otherwise, such vacancy may be filled in by the Government and the member so appointed shall hold office for the unexpired term of the member in whose place he is appointed.

Resignation of office by member.

(6) Any member may resign his office by giving Notice in writing to the Government and on such resignation being notified in the Official Gazette by the Government, such member shall be deemed to have vacated his office.

Vacancies etc. not to invalidate acts and proceedings of the Board.

(7) No act or proceedings of the Board shall be invalidated merely by reason, only of the existence of any vacancy in its membership or by reason of any defect in the constitution thereof.

Temporary association of persons with the Board for particular purposes

8. (1) The Board may associate with itself in such manner and for such purposes as may be determined by regulation made under this Act, any person whose assistance or advice it may desire in complying with any of the provisions of this Act.

(2) A person associated with the Board under sub-section (1) for any purpose may take part in the discussions of the Board relevant to that purpose, but shall not have the right to vote and shall not be a member for any other purpose.

(3) The Government may depute one more of their officers to attend any meeting of the Board and to take part in the discussions of the Board but such Officer or Officers shall not have the right to vote.

Meeting of the Board.

9. The Board shall meet at such times and places and shall subject to the provisions of sub-sections (2) to (4) observe such rules of procedures in regard to the transaction of business at its meetings, including the quorum at meetings, as may be provided by Regulations made by the Board under this Act :

Provided that the Board shall meet at least once in every two months. (2) The Chairman or in his absence, the Vice Chairman, if appointed, and if he is also absent, such member as may be chosen by the members present from among themselves shall preside over the meeting of the Board.

(3) All questions at a meeting of the Board shall be decided by the majority of the votes of the members present and voting and in the case of an equality of votes, the Chairman or in his absence the person presiding shall have a second or a casting vote.

(4) The minutes or the proceedings of each meeting of the Board shall be drawn up and recorded in a register to be kept for that purpose and shall be laid before the next meeting of the Board and signed at such meeting by the presiding officer thereof and copies of such minutes shall be forwarded to the Government and the Commission within fifteen days from the date on which they are signed as aforesaid.

Terms of office and conditions of services of Chairman, ViceChairman, Secretary and other members of the Board.

10. The tenure of office and the terms and conditions of service of the Chairman, the Vice-Chairman, the Secretary and other members of the Board and of the Financial Adviser of the Board shall be as may be prescribed.

Standing committees

11. (1) There shall be constituted, from among the members of the Board in the prescribed manner, a Standing Finance Committee to exercise such powers and perform such functions relating to finance of the Board as may be specified by Regulation made by the Board under this Act.

(2) The Board may constitute such other Standing Committees consisting of such number of members and in such manner as may be prescribed, for exercising any such power or discharging such duties of the Board or for inquiry into or reporting and advising on any matter which the Board may refer to them.

(3) The Standing Finance Committee or any other Standing Committee constituted under this section shall meet at such time and place and shall observe such rules of procedure in regard to the transaction of business at its meetings including the quorum at meetings, as may be provided by Regulations made by the Board under this Act.

Officers and servants of the Board.

12. (1) The Government shall appoint a person not being a member, to be the Financial Adviser and Chief Accounts Officer who shall exercise such powers and perform such duties as may be prescribed.

(2) The Government shall appoint a person not being a member, to be the Executive Officer of the Board who shall exercise such powers and perform such duties as may be prescribed or as may be delegated to him by the Chairman.

(3) Subject to such rules as may be made by the Government in this behalf, the Board may appoint such other officers and servants as it considers necessary for the efficient performance of its functions.

CHAPTER III POWERS AND FUNCTIONS OF THE BOARD

Functions of the Board.

13. (1) Subject to the provisions of this Act, the functions of the Board shall generally be to plan, organise and implement programmes for the development of Khadi and Village Industries.

(2) In particular and without prejudice to the generality of the foregoing power, the Board may take steps a: it may think fit ;

- (a) to plan and organise the training of persons engaged in the production of Khadi or in Village Industries:
- (b) to build up a reserve or raw materials and implements and to supply to persons engaged in the production of Khadi or in Village Industries at such economical rates as may be suitable in the opinion of the Board :
- (c) to provide for the sale and marketing of Khadi or of products of Village Industries or Handicrafts

(d) to encourage and promote research in the technique of production of Khadi or in the development of Village Industries, or to provide facilities for a study of the problems relating to Khadi or Village industries;

(e) to maintain or assist in the maintenance of institutions for the development of Khadi or Village industries:

(f) to undertake, assist or encourage the production of Khadi or the development of Village Industries:

(g) to promote and encourage co-operative efforts among manufacturers of Khadi and persons engaged in Village Industries ; and

(h) to carry out any other matter which may be prescribed.

Powers of the Government and Commission to give directions.

14. In the discharge of its functions under this Act, the Board shall be bound by such directions as the Government or the Commission may give to it from time to time.

CHAPTER IV

PREPARATION AND SUBMISSION OF PROGRAMMES

Preparation and submission of annual programmes

15. (I) Every year, in such form and on such preparation date as may be fixed by the Government, the Board shall prepare and forward in advance to the Government and the Commission a programme work for,-

(a) the particulars of the schemes which the Board proposes to execute, whether in part or whole, during such Year ;

(b) the particulars of any work or undertaking which the Board proposed to execute during that year for the purpose of carrying out functions under this Act ;

(c) such other particulars as may be prescribed.

*[(2) In each financial year the Board shall prepare and forward to the Government for the following year a schedule of staff of officers and servants already employed and to be employed in such forms and by such date as may be prescribed]

*[Inserted by 1998 amendment Act (Act no 2 of 1999.s.2.wef 9.3.1999

Sanction of programme

16. The Government may, after consultation with the Commission, approve and sanction the programme referred to in section 15, in whole or with such modification as it considers fit.

*[(2) The Government may sanction the schedule of staff of officers servants, with such modifications as the government deems fit.]

*[Inserted by 1998 amendment Act (Act no 2 of 1999.s.3.wef 9.3.1999

Supplementary programme.

17. The Board may prepare and forward a supplementary programme for the sanction of the Government in such form and on such date as may be prescribed and the provision of section 16 shall apply in relation to such supplementary programme.

Power of the Board to alter scheme.

18. (I) The Board may, with the previous approval of the Commission, make any alteration in any scheme so long the aggregate amount sanctioned for such scheme is not exceeded and a report of such alteration shall be sent to the Government in such form and within such time as may be prescribed.

(2) The Board shall not be competent to transfer funds sanctioned for one scheme to another scheme,

(a) where funds in resp3ct of such scheme are allotted by the Commission, without the approval of the Commission ;and

(b) in any other case, without the approval of the Government.

FINANCE, ACCOUNTS, AUDIT AND REPORTPayment to the Board.

19. The Government may pay to the Board in each financial year such sums by way of grants of advance as may be considered necessary for the performance of the functions of the Board under this Act.

*[(2) Establishment expenditure of the Board shall be provided by the government.

(3) The Government may transfer to the Board, the building³, land or any other property whether movable or immovable on such conditions as the State Government deem fit the purpose of the Act.]

*[Inserted by 1998 amendment Act (Act no 2 of 1999.s.4.wef 9.3.1999

Fund of the Board

20. (1) The Board shall have its own funds to be known as Khadi and Village Industries Fund and all receipts obtained by the Board from time to time by way of grants, donations, gifts, advances or loans for the purpose of Khadi or Village industries shall be credited to the said fund and all payments by the Board for or in respect of Khadi or Village Industries shall be met from that fund.

(2) The Board may accept grants, donations and gifts and received loan from the Central Government or the Government of any State or Union Territory or any local authority or anybody or association whether incorporated or not, or an individual for all or any of the purposes of this Act.

(3) All moneys belonging to the Board shall be deposited in any nationalised Bank or in a Government Treasury or be invested in such securities as may be approved by the Government.

(4) The accounts of the Board shall be operated upon by such officers jointly or individually, as may be authorised by the Board.

Power of the Board to spend.

21. Subject to the provision of section 23, the Board shall have power to spend such sums as it thinks fit for the purpose authorised by or under this Act :

Provided that nothing in this section shall be deemed to prevent the Board from spending with the previous approval of the Government such moneys as it thinks fit for any purposes outside the state of Arunachal Pradesh.

Application of fund and properties.

22. All properties, funds and other assets of the Board shall be held and applied by it subject to the provisions this Act.

Budget.

23. (1) The Board shall by such date in each year as may be prescribed, prepare and submit to the Government for approval, the budget in the prescribed form for the next financial year to be called the Khadi and Village Industries budget showing the estimated receipt and expenditure in respect of Khadi and Village Industries during that financial year and a copy of said budget shall be forwarded to the Commission for information and remark, if any.

(2) Subject to the provision of sub-section (3) and (4), no sum shall be expended by or on behalf of the Board unless such expenditure is covered by a specific provision in the budget approved by the Government.

(3) The Board may, within the limits of the Khadi and Village Industries fund, sanction any re-appropriation from one head of expenditure to another or from a provision made for one scheme to another:

Provided that no re-appropriation from the head "Loan" to any other head of expenditure and vice-versa shall be sanctioned by the Board except with the previous approval of the Government.

(4) The Board may within such limits and subject to such conditions as may be prescribed, incur expenditure in excess of the limit provided in the budget approved by the Government under any head

of expenditure or in connection with any particular scheme so long as the aggregate amount in the budget approved by the Government is not exceeded.

*[(5) The Government may sanction the budget submitted to it with such modification as it deems fit.

(6) The Board shall not be competent to transfer such fund without the approval of the Government.]

*[Inserted by 1998 amendment Act (Act no 2 of 1999).s.5.wef 9.3.1999

Supplementary budget.

24. The Board may, in any year, submit a supplementary budget for approval of the Government in such form and manner and before such date as may be prescribed and the provisions of section 23 shall apply in relation to such supplementary budget.

Accounts and Audit.

25. (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts and the balance sheet in such form and in such manner as may be prescribed.

(2) by such this behalf persons as the Government may appoint in this behalf.

(3) The accounts of the Board as certified by such auditor together with the audit report thereon shall be forwarded annually to the Government before such date as the Government may specify in this behalf,

(4) The auditors appointed under sub-section (2) shall in relation to such audit, generally have such rights, privileges and authority as may be prescribed, and shall demand the production of books, accounts, vouchers and other documents in connection with the audit and to inspect any office of the Board.

(5) The Board shall comply with such directions as the Government, after perusal of the report of the auditors, may issue as think fit.

Annual Report and Returns

26. (1) The Board shall prepare and forward to the Government and the Commission in such manner as may be prescribed, an annual report within six months from the end of the each financial year giving a complete accounts of its activities during the previous financial year along with a copy of the annual statement of accounts together with the audit report referred to in section 25.

(2) The report and the annual statement of accounts together with audit report received by the Government under sub-section (1), shall be laid before the Legislative Assembly as soon as may be after it is received by the Government.

CHAPTER VI

MISCELLANEOUS

(27) On and from the said date of dissolution under sub-section (1) -(a) all properties and funds, which immediately before the said date were in the possession of the Board for the purpose of this Act shall vest in the Government ;

Members and servants of the Board to be public servants.

27. Every member, officer and employees of the Board shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (XLV of 1860).

Protection of action taken under the Act.

28. No suit, prosecution or other legal proceeding shall lie against any person for anything, which is in good faith, done or purported to be done under this Act,

Dissolution of Board.

29. (1) The Government may, by notification in the Official Gazette, direct that the Board shall be dissolved from the date specified in the notification and thereupon the Board shall be deemed to be dissolved accordingly.

(2) On and from the said date of dissolution under sub-section (1) –

- (a) all properties and funds, which immediately before the said date were in the possession of the Board for the purpose of this Act shall vest in the Government ;
- (b) all members shall vacate their offices as such members : and
- (c) all rights, obligations and liabilities including any liabilities under any contract of the Board shall become the rights, obligation and liabilities of the Government.

Recovery of arrear

30. If any amount due to the Board in accordance with the terms of a contract or otherwise or any sum payable in connection therewith has not been paid, the Board may, without prejudice to any other remedies provide by law, recover such amount or sum as an arrear of public demand.

Power to write up losses

31. (l) The Board shall be competent to write off of losses upto Rs. 1000 without approval of the Government and where the sum exceeds Rs. 1000 with the approval of the Government, if such sum is, in its opinion, irrecoverable by any means.

Power to make rules

32. (l) The Government may, by notification the Official Gazette, make rules to give effect to provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely :

- (a) the place at which the office of the Board shall be located :
- (b) the term of office of and the manner of holding up casual vacancies among the members of the Board and the terms and conditions of service of the Chairman. Vice Chairman, Secretary and other members of the Board including the allowances to be paid to them and travelling and daily allowances to be drawn by them when they are on tour in connection with their duties as member of the Board :
- (c) the disqualification for membership of the Board and the procedure to be followed for removing a member who is or has become subject to any disqualifications :
- (d) the powers and duties to be exercised and discharged by, the Chairman, the Vice-Chairman and the Secretary of the Board ;
- (e) the conditions subject to which and the mode in which, contracts may be entered into by or on behalf of the Board :
- (f) the date by which and the form in which the budget and the supplementary budget shall be prepared and submitted in each year : (g) the procedure to be followed for placing the Board in possession of funds ;
- (h) the mode of selection of the Financial Adviser and its powers and duties and conditions of services ;
- (i) the procedures to be followed and the conditions to be observe in granting loans ;
- (j) the form and manner in which the accounts of the Board shall be maintained ;
- (k) the form and manner in which the returns, reports or the statement shall be submitted ;
- (l) constitution of the Standing Finance Committee : and
- (m) any other matter which is to be or may be prescribed.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before the legislature of Arunachal Pradesh while it is in session, for a total period of ten days which may be comprised in one session or in the successive sessions and if before the expiry of the session in which it is so laid or the session immediately following, the Legislature agrees in making any modification in the rule or the Legislature agrees that the rule should not be made, the rule shall thereafter have effect only in such modification form or be of no effect as the case may be so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to make Regulations.

33. (1) The Board may by notification in the Official Gazette, make Regulation not inconsistent with the provisions of this Act and rules made thereunder for enabling it to discharge its functions under this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such Regulations may provide for all or any of the following matters namely :

(a) the terms and conditions of appointment and service and the scales of pay of officers and employees of the Board other than the Secretary and the Financial Adviser, including the payment of travelling and daily allowances in respect of journeys undertaken by each officer and employees for the purpose of this Act :

(b) the time and place of meeting of the Board and the procedure to be followed in regard to transaction of business at such meetings and the quorum necessary for the transaction of such business at a meeting ;

(c) the functions of the Committee and the procedure to be followed by such Committee and the discharge of their functions ;

(d) the delegation of powers to the Secretary and any employee of the Board ;

(e) the persons by whom and the manner in which payments, deposited and investment may be made on behalf of the Board ;

(f) the custody of moneys required for the current expenditure of the Board and investment of moneys not so required ;

(g) the maintenance of minutes of the meeting of the Board and the transmission of the copies thereof to the Government and the Commission ;

(h) the maintenance of accounts :

(i) the summoning and holding of meetings and the conduct of business of the Standing Committees :

(j) the form in which certificates of genuineness of Khadi and products of Village Industries may be granted by the Board and fees chargeable thereof

(3) The Government may by notification in the Official Gazette, rescind or modify any Regulation made under this section and thereupon, the Regulation shall cease to have effect or be modified accordingly.