

**THE PUNJAB KHADI AND VILLAGE
INDUSTRIES BOARD ACT, 1955**

(PUNJAB ACT No. 40 of 1956)

(Amended upto date)

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**THE PUNJAB KHADI AND VILLAGE INDUSTRIES BOARD
ACT, 1955**

PUNJAB ACT No. 40 OF 1956

The 25th October, 1956

(Received the assent of the President on the 16th October, 1956, and was first published in the PUNJAB GOVERNMENT GAZETTE (Extraordinary), dated the 25th October, 1956.)

1 Year	2 No.	3 Short title	4 Whether affected by Later Legislation
1956	40	The Punjab Khadi and Village Industries Board Act, 1955.	Extended to the territories which, immediately before the 1st November, 1956, were comprised in the State of Patiala and East Punjab States Union, by Punjab Act, No. 5 of 1957.* Amended in part by Punjab Act, 29 of 1957. 33*

AN
ACT

to provide for the establishment of a State Statutory Board for encouraging and intensifying the Khadi and Village Industries in Punjab.

Be it enacted by the Legislature of the State of Punjab in the Sixth Year of the Republic of India as follows :—

CHAPTER I—PRELIMINARY

1. (i) This Act may be called the Punjab Khadi and Village Industries Board Act, 1955.

* 1 For Statement of Objects and Reasons, see PUNJAB GOVERNMENT GAZETTE (Extraordinary), 1955, Page 697.

* 2 For Statement of Objects and Reasons, see PUNJAB GOVERNMENT GAZETTE (Extraordinary) 1957, Page 339 .

* 3 For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1957, Page 1683. This Act shall be deemed to have come into force on the 1st September, 1957.

Short title, extent and commencement.

(2) It extends to the whole of the State of Punjab.

(3) It shall come into force at once.

Definitions.

2. In this Act unless there is anything repugnant in the subject or context :—
- (i) "Board" means the Punjab Khadi and Village Industries Board constituted under section 3,
 - (ii) "Khadi" means any handloom cloth woven from yarn handspun in India.
 - (iii) "Prescribed" means prescribed by rules made under this Act.
 - (iv) "Village Industries" means such industries which generally form the normal occupation whether wholtime or part-time, of any class of the rural population of the State of Punjab and in particular such industries as may be recommended from time to time by the *1 (Commission) appointed by the Government of India such other industries as the State Government may, by notification in the official gazette, specify in this behalf in consultation with the Board.
 - (v) "Government" means the Government of the State of Punjab.
 - 2(vi) "Commisson means the Khadi and Village Industries Commission established under section 4 of the Khadi and Village Industries Commission Act, 1956 (No. 61 of 1956).
 - (vii) "Member" or "Member of the Board" includes "Chairman" or "Chairman of the Board" respectively".

Amendement of sanction 2 of Punjab Act. 40 of 1956.

(Pb. Act No. 30 of 1964)

CHAPTER II

ESTABLISHMENT AND CONSTITUTION OF THE BOARD.

Incorporation of Board.

3. (1) For carrying out the purpose of this Act, the Government shall, as soon as possible, after the commencement of this Act, by a notification in the official gazette, establish a Board to be called "The Punjab Khadi and Village Industries Board".
- (2) The Board shall be a body corporate having perpotual succession and a commom seal and may sue and be sued in its corporate name and shall be cempetent to acquire and hold and dispose of property both movable and immovable and to contract and do all things necessary for the purposes of this Act.

Constitution of Board.

4. (1) The Board shall consist of not more than 15 members appointed by the Government, from time to time, including Chairman, Vice-Chairman Secretary Joint Secretary and other official and non-official member .

* 1 Substituted by Punjab Act, No. 29 of 1957, section 2 (a) for the words All-India Khadi and Village Industries Board".

* 2 Added by Punjab Act, No. 29 of 1957, section 2 (b).

Provided that—

Amendment of section 4 Punjab Act 40 of 1956. (Pb. Act No. 31 of 1981)

- (a) The Chairman and Vice-Chairman shall be non-official members appointed by the Government.
- (b) the Secretary of the Board shall be appointed by the Government from amongst the officers of the Department of Industries; and
- (c) the Joint Secretary shall be appointed by the Government from amongst the members of the Board.

- (2) Each non-official member of the Board shall be paid from the funds of the Board such allowance and the Chairman shall be paid such honorarium and allowances, as the Government may fix from time to time. Official members shall draw their Travelling Allowances for attending meetings of the Board, or in connection with the performance of any duty assigned to them by the Board or the Government for the purposes of the Act admissible to them under the Punjab Travelling Allowance Rules from their respective departments.
- (3) The Board shall have powers to invite persons specially qualified to advise on matters before the Board relating to an industry or having special knowledge of local conditions in the area where the industry is question is situated. These persons shall be paid allowances at the rates admissible to other non-official members of the Board.

Term of office and dissolution of Board.

- 5. (1) The Board shall, unless sooner dissolved by the Government, continue for a period of three years from the date of its establishment or till a new Board is appointed thereafter.

Provided that the Government may, at any time, with the previous approval of the State Legislature, by a notification in the official gazette, make a declaration that from such date, as may be specified in the notification, the Board shall be dissolved

Amendment of section 1966 (2) of Punjab Act 40 of 1956. (Pb. Act No. 30 of 1964).

- (2) Any member may at any time, resign his office by giving notice in writing to the Chairman of the Board and on its being accepted by the Government he shall be deemed to have vacated his office from the date of such acceptance, provided that the Chairman shall give such notice to the Government.
- (3) On the Board ceasing to exist, either by efflux of time or by dissolution by the Government under Sub-Section (1).

Amendment of section 5 of Punjab Act 40 of 1956. (Pb. Act No. 7 of 1973).

- (i) Any committee appointed under section II shall cease to function;
- (ii) All funds and other properties vested in the Board shall vest in the Government.
- (iii) All members shall vacate their offices as members of the Board; and
- (iv) all rights, obligations and liabilities (including any liabilities under any contract) of the Board shall become the rights, obligations and liabilities of the Government".

Insertion of new section 5A in Pb. Act 40 of 1956 (Pb. Act No. 31 of 1981).
Chairman, Vice-Chairman, Secretary and Joint Secretary to hold office during pleasure of Governor.

Disqualification for appointment as members of the Board.

Amendment of Section 6 (a) of Punjab Act 40 of 1956. (Vide Pb. Act No. 30 of 1964).

Amendment of section 6(f) & (g) Act 40 Pb. 1 Act No. 29 of 1963.

Amendment of section 6 of Punjab Act 40 of 1956 (Pb Act No. 31 of 1981).

Amendment of section 6 (2) (a) of Punjab Act 40 of 1955. (Vide Pb. Act No. 30 of 1964).

5—A Noth with any thing contained in section 5 or any other provision of this Act, the Chairman, Vice-Chairman, Secretary, Joint Secretary or any other member of the Board shall hold office during the pleasure of the Governor”.

6. (1) A person shall be disqualified for being appointed or for continuing as a member of the Board, if he—

- (a) holds any office of profit under the Board other than the office of Chairman, Secretary or Joint Secretary thereof; and
- (b) is of unsound mind and stands so declared by a competent Court;
- (c) is or at any time has been adjudicated insolvent;
- (d) has directly or indirectly by himself, by his wife or son, or by any partner any share of interest in any subsisting contract or employment with, by or on behalf of the Board;
- (e) is a Director or a Secretary or a Manager or other salaried officer of any incorporated company or any co-operative society, which has any share or interest in any contract or employment with, by or on behalf of the Board.
- (f) being non-official member, does not habitually wear Khadi;
- (g) is convicted of an offence involving moral turpitude.

(1 A) A person shall also be disqualified for continuing as a member of the Board, if he ceases to reside in Punjab.

(2) (a) A person shall not be disqualified under clause (a) of subsection (1) by reason only of his being member receiving allowance or the Chairman receiving any honorarium or allowances as provided in sub-section (2) of section 4.

(b) A person shall not be disqualified under clause (d) or (e) subsection (1) or be deemed to have any share or interest in any contract or employment within the meaning of these clauses by reason only of his or of the incorporated company or of a cooperative society, of which he is a Director, Secretary, Manager or other salaried officer having a share of interest in any newspaper in which any advertisement relating to any affairs of the Board is inserted.

(c) A person shall not also be disqualified under clause (d) or (e) of subsection (1) or be deemed to have any share or interest in any contract or employment with, by or on behalf of, the Board by reason only of his being a shareholder or member of such a company or society.

Provided that such person discloses to the Government the, nature and extent of the share held by him from time to time.

Amendment of section 6 (d) of Punjab Act 40 of 1955.

(Pb. Act No. 29 of 1953).

- (d) A person shall not also be disqualified, or be deemed ever to have been disqualified, under clause (d) or clause (e) of sub-section (I), or be deemed to have any share of interest in any contract or employment, with, by or on behalf of, the Board, by reason of his being a Director or a Secretary or a Manager of other salaried officer of a society registered or deemed to be registered under the Registration of societies Act, 1860, or any of other institution certified by the Commission or the Board :

Provided that such person discloses to the Government the nature and extent of the share held by him from time to time.

7. Omitted

Vacancy to be filled in as early as possible.

Amendment of section 7 of Pb. Act 40 of 1956.

(Pb. Act 31 of 1981).

8. When a member dies or resigns as provided in subsection (2) of section 5, or is subject to any of the disqualifications specified in section 6, or is removed under section 5-A he shall cease to be a member of the Board, and any vacancy so occurring shall be filled by the Government as early as practicable :

Provided that during any such vacancy the continuing members may act as if no vacancy has occurred.

Vacancy, defect in appointment, etc. not to invalidate acts and proceeding.

9. No act or proceeding of the Board under this Act. shall be questioned on the ground merely of the existence of any vacancy in, or, defect in the appointment of a member or the constitution of the Board.

Provided that the Board shall not act or take any proceedings, at any time when, by reason of any vacancy occurring while number of continuing non-official member is less than one-third of the total number of such non-official members in the Board.

Meeting of the Board.

10. The Board shall from time to time make such arrangements with respect to the date, time, place, notice, management and adjournments of its meetings as may be determined by regulations made, by the Board subject to the following provisions, viz :—

- (a) Ordinary meeting shall be held once at least in every three months.
- (b) The Chairman may, whenever he thinks fit, call special meetings.
- (c) The proceedings of the meetings of the Board shall be forwarded to Government, in the department concerned.

Appointment of Committees.

11. Subject to any rules made under section 34 the Board may from time to time appoint one or more Committees for the purpose of securing efficient discharge of its functions and in particular for the purpose of ensuring that the said functions are exercised with due regard to the circumstances and requirements of any particular village industry.

CHAPTER III-FUNCTIONS AND POWERS OF THE BOARD

Functions and powers of the Board.

12. (1) It shall be the duty of the Board to organise, develop and propagate Village Industries and perform such functions as the Government may prescribe from time to time and exercise such powers as may be necessary for carrying out the objects of this Act.

(2) Without prejudice to the generality of the provision of subsection (1), the Board shall also in particular discharge and perform all or any of the following duties and functions, namely :—

(a) To start, encourage, assist and carry on Khadi and Village Industries and to carry on trade or business in such industries, and in the matters incidental to such trade or business;

(b) to help the people by providing them with work in their homes and to give them monetary help;

Explanation :—For the purposes of clause (b), the expression “Monetary help” includes the giving and grants and loans for any of the purposes of this Act. on such terms and condition as may be prescribed”.

(c) to encourage establishment of Co-operative Societies and Societies registered 1 (under the Societies Registration Act, 1860, or the Pepsu Societies Registration Act, 1954)

(d) to conduct training centres and to train people there at with a view to equip them with the necessary knowledge for starting or carrying on Khadi and Village Industries ;

(e) (i) to manufacture tools and implements required for carrying on Khadi and Village industries and to manufacture the products of such industries;

(ii) to arrange for the supply of raw materials and tools and implements required for the said purpose; and

(iii) to sell and arrange for the sale of the products of the said industries;

(f) to arrange for publicity and popularisation of finished products of Khadi and Village Industries by opening stores, shops, emporia or exhibitions and to take similar measures for the Purpose;

(g) to endeavour to educate public opinion and to impress upon the public the advantages of patronising the products of Khadi and Village Industries;

(h) to seek and obtain advice and guidance of experts in Khadi and Village Industries;

(i) to undertake and encourage research work in connection with Khadi and Village Industries and to carry on such activities as are incidental and conducive to the objects of this Act; n d

(j) to discharge such other duties and to perform such other functions as the Government may direct for the purpose of carrying out the objects of this Act.

Amendment of section 12 of Punjab Act 40 of 1956.

(Pb. Act No. 12 of 1961).

1. Substituted by Punjab Act 29 of 1957, section 3, for the words “with All-India Khadi and Village Industries Board for Khadi and Village Industries.”

Power to make contracts.

13. (1) The Board may enter into and perform all such contracts as it may consider necessary or expedient for carrying out any of the purposes of this Act.
- (2) Every contract shall be made on behalf of the Board by the Secretary.
- (3) Every contract made by the Secretary on behalf of the Board shall subject to the provisions of this section, be entered into in such manner and form as may be prescribed.
- (4) A contract not executed in the manner provided in this section and the rules made there-under shall not be binding on the Board.

General powers of Board.

14. The Board shall, for the purposes of carrying out its functions under this Act, have the following powers :
- (i) to acquire and hold such movable and immovable property as it deems necessary and to lease, sell or otherwise transfer any such property;
- Provided that in the case of immovable property the aforesaid powers shall be exercised with the previous sanction of the Government.
- (ii) to incur expenditure and undertake works in any area in the State for the framing and execution of such scheme as it may consider necessary for the purpose of carrying out the provisions of this Act or as may be entrusted to it by the Government, subject to the provisions of this Act, and the rules made there under.

Power of Chairman.

14. A. (1) The Chairman shall be responsible for the proper functioning of the Board and implementation of its decisions and discharge of its duties under this Act.
- (2) The Chairman may, by order in writing, delegate any of his powers to the Vice-Chairman or any other non-official member of the Board.
- (3) The Chairman shall exercise general control over the Board.

Power of Secretary.

15. The Secretary and Joint Secretary shall exercise such powers and perform such functions for and on behalf of the Board as may be determined by Regulations.

CHAPTER IV APPOINTMENT OF OFFICERS AND SERVANTS.

Officers and servants of the Board.

16. The Board may appoint such officers and servants as it considers necessary for the efficient performance of its functions..

Conditions of service of officers and servants of the Board.

17. The pay and other conditions of service of officers and other servants of the Board shall be such as the Board may determine by regulations.

Functions and duties of officers and servants.

18. The functions and duties of the officers and servants of the Board shall be such as the Board may determine by regulations.

CHAPTER V—FINANCE ACCOUNTS AND AUDIT.

Transfer of property.

19. (1) The Government may transfer to the Board building, land or any other property, movable or immovable, for use and management by the Board, on such conditions and limitations as the Government may deem fit, for the purposes of this Act.

(2) The Government may transfer to the Board such schemes or works in progress, with all their assets and liabilities as are run or managed by Government, subject to such conditions and limitations as the Government may deem fit to impose for the purposes of this Act.

Fund of the Board.

20. (1) The Board shall have its own fund and all receipts of the Board shall be credited there to and all payments by the shall be made therefrom.

(2) The Board may accept grants, loans, subventions, donations and gifts from the Government or a local authority or other statutory body including the Commission or any private body, whether incorporated or not, or an individual for all or any of the purposes of this Act.)

(3) All moneys belonging to the fund of the Board shall be deposited in such manner as the Government may, by special or general order direct.

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

Application of fund and property.

21. All property, fund and other assets with the Board shall be held and applied by it subject to the provisions and for the purposes of this Act.

Subventions and loans to the Board.

22. (1) The Government may, from time to time make subventions and grants to the Board for the purposes of this Act on such terms and conditions as the Government may determine.

(2) The Government may, from time to time advance loans to the Board on such terms and conditions not inconsistent with the provisions of this Act as the Government may determine.

Preparation and submission of Annual Programme and Establishment Schedule.

23. (1) In each year, on such date as may be fixed by the Government the Board shall prepare and forward :—

(a) Programme of its work; and

(b) a schedule of the staff of officers and servants already employed and to be employed during the next year, to the Government in such form as may be prescribed.

(2) The Programme of its work shall contain :—

(a) Such particulars of the scheme which the Board proposes to execute whether in part or whole, during the next year;

(b) particulars of any work of undertaking which the Board proposes to organise during the next year for the purposes of carrying out its functions under the Act; and

(c) such others particulars as may be prescribed.

Sanction of programme and establishment schedule.

24. (1) The Government may approve and sanction the programme and the schedule of the staff of officers and servants forwarded to it with such modifications as it deems fit.

(2) The Board may send a programme of its schemes formulated in accordance with the policy or scheme of the Commission directly to the Commission for allotment of funds by or approval of the Commission).

Budget.

25. The Board shall, on such date as may be fixed by the Government, prepare and submit to the Government, the budget for the next financial year showing estimated receipts and expenditure on capital and revenue accounts according to the programme and schedule of the staff sanctioned by the Government.

Sanction of Budget,

26. (1) The Government may sanction the Budget submitted to it with such modifications as it deems proper.

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

(a) where funds in respect of such schemes are allotted by the Commission, without the prior approval of the Commission; and

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

Amendment of section 26 (a) (b) of Punjab Act 40 of 1956. (Pb. Act No. 12 of 1961)

Supplementary programme and supplementary Budget.

27. The Board may submit a supplementary programme and supplementary budget for the sanction of Government in such form and on such date as the Government may prescribe, and provisions of sections 25 and 26 shall apply to such supplementary programme and budget respectively.

Annual Report.

28. The Board shall prepare and forward to the Government in such manner as may be prescribed, an annual report within three months after the end of the financial year giving a complete account of its activities during the previous financial year.

Further Reports Statistics and Returns.

29. The Board shall, before such date and at such intervals and in such manner as the Government may from time to time direct, submit to the Government a report on such matter and statistics and returns as the Government may direct.

Accounts and Audit.

30. (1) The Accounts of the Board shall be maintained and an annual statement of accounts shall be in such manner as may be prescribed.

(2) The Accounts of the Board shall be audited by a Chartered Accountant or by such person as Government may direct.

(3) As soon as the accounts of the Board are audited the Board shall send a copy thereof with a copy of the report of the auditor thereto to the Government.

(4) The audited accounts of the Board shall be submitted to Government in such manner as may be prescribed.

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

1. Original section 24 renumbered as subsection (1) by Punjab Act No. 29 of 1957, section 6.

2. New subsection (2) added by Punjab Act No. 29 of 1957, section 6.

CHAPTER VI—MISCELLANEOUS

Directions by State Government;

31. (1) In the discharge of its functions the Board shall be guided by such instructions on question of policy as may be given to it by the Government.
- (2) If any dispute arises between the Government and the Board as to whether a question is or is not a question of policy, the decision of the Government shall be final.

Insertion of new section 31 A in Pb. Act 40 of 1956)
(Pb. Act 31 of 1981)
Control of Government over Board.

- 31-A (1) The Government shall exercise superintendence and control over the Board and its officers and may call for such information as it may deem necessary and in the event of its being satisfied that the Board is not functioning properly or is abusing its power or is guilty of mismanagement, it may, be order suspend the Board.
Provided that the Board shall be reconstituted in accordance with the provisions of this Act within a period of one year from the date of its suspension.

- (2) Before making an order of suspension opportunity shall be given to the Board to show cause why an order of suspension should not be made.

- (3) When the Board is suspended under sub-section (1), the following consequences shall ensure, namely :—

- (a) all members of the Board and its Committees including the Chairman, Vice-Chairman, Secretary and Joint Secretary shall from the date of order under sub-section (1), vacate their offices;

- (b) all powers, duties and functions. which under the provisions of this Act or any regulation made thereunder, are to be exercised by the Board or any Committee thereof or by the Chairman, Vice-Chairman, Secretary or Joint Secretary or any other officer of the Board, shall during the period of suspension, be exercised and performed by such person (to be called the Administrator) as may be appointed by the Government in this behalf :

Provided that the Administrator may, subject to the approval of the Government, delegate any of his powers, duties and functions to such officer of the Board as he may think fit :

- (c) all property, fund and other assets held by the Board shall until is is reconstituted, vest in the Government.

Members of Board and Members of staff of Board to be public servants.

32. Members of the Board and members of staff of the Board shall be deemed when acting or purporting to act in pursuance of any the provisions of this Act to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (XIV of 1860).

(Insertion of section 32—A)
Recovery of Board's dues as arrears of land revenue.
(Pb. Govt. Act 12 of 1961).

- 32—A. All sums including grants and loans given by the Board or any interest or costs in respect thereof becoming due to the Board under this Act, whether before or after the commencement of the Punjab Khadi and Village Industries Board Amendment Act, 1961, and whether such sums have become due by virtue of any contract or otherwise, shall be recoverable as arrears of Land Revenue.”

Protection of
action taken under
this Act.

33. 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.

Rules.

34. (1) The 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 powers such rules may provide for all or any of the following matters :—

Amendment of
section 34 (2) (a)
of Punjab Act 40
of 1956.
(Pb. Act No 30
of 1964).

- (a) The allowances of non-official members of the Board and the honorarium and allowances of the Chairman under sub-section (2) of section 4;
- (b) the functions of the Board under section 12;
- (c) the manner and form in which contracts shall be entered into under section 13;
- (d) the particulars of the programme under section 23 (1)
- (e) The form in which and the date before which the supplementary programme shall be submitted under section 27;
- (f) the form in which and the date before which the supplementary budget shall be submitted under section 27;
- (g) the manner in which the annual report shall be prepared and forwarded to the Government under section 28;
- (h) the manner of maintenance of accounts and preparation of annual statement of accounts under section 30 (1);
- (i) any other matter which is, or may be, prescribed under this Act.

Regulations.

35. (1) The Board may, with the previous sanction of the State Government, make regulations consistent with this Act and the Rules made there under and such regulations shall be notified in the Official Gazette.
- (2) In particular and without prejudice to the generality of the foregoing power, the Board may make regulations providing for :—
- (a) the procedure and disposal of its business;
- (b) remuneration, allowances and other conditions of service of members of the staff of the Board;
- (c) functions and duties of the Secretary, Joint Secretary and other members of the staff of the Board;
- (d) functions of committees and the procedure to be followed by such committees in the discharge of their functions.

Saving.

36. Nothing in this Act shall be deemed to apply to any industry declared to be Scheduled industry under the industries (Development and Regulation) Act, 1951, or to affect any of the provisions of the said Act.

(1) The Pb. Khadi and Village Industries Board (Amendment) Ordinance 1964 (Punjab ordinance No. 1 of 1964), is hereby repealed.

(2) Notwithstanding such repeal, any thing done or any action taken under the Punjab Khadi and Village Industries Board (Amendment) Ordinance, 1964 shall be deemed to have done or taken under this Act as if this Act had commenced on the 18th day of July, 1964,

(1) The Pb. Khadi and Village Industries Board (Amendment) Ordinance, 1981 (Pb. Ordinance No. 10 of 1981) is hereby repealed.

(2) Notwithstanding such repeal, any thing done or any action taken under the Principal Act, as amended by the ordinance referred to in Sub-Section (1) shall be deemed to have been done or taken under the Principal Act, as amended by this Act.

INDUSTRIES DEPARTMENT

NOTIFICATION

The 23rd April, 1958

No. 1046-8DIB-58/20076. The following Regulations made by the Punjab Khadi and Village Industries Board with the previous sanction of the Governor of Punjab in exercise of the powers conferred by section 35 of the Punjab Khadi and Village Industries Board Act, 1955 (Punjab Act No. 40 of 1956), are hereby notified in pursuance of subsection (1) of the said section :—

PRELIMINARY

1. These regulations may be called the Punjab Khadi and Village Board Regulations, 1958.
2. In these regulations, unless the context otherwise requires—
 - (a) 'Act' means the Punjab Khadi and Village Industries Board Act, 1955 (Punjab Act 40 of 1956) ;
 - (b) 'Committee' means the Committee which the Board may constitute under section 11 of the Act.

PART—I

PROCEDURE AND DISPOSAL OF BUSINESS AT MEETING OF THE BOARD

3. The Board shall held an ordinary meeting on such date and at such time and place as may be fixed by the Chairman.
4. The Secretary shall send intimation of the date, time and place and also a copy of the agenda of the ordinary meeting to all the members of the Board at least ten clear days before the date fixed the meeting.

5. A notice sent by ordinary post on the address of the members as maintained in the books of the Board for the ordinary meeting shall be enough. Telegraphic notice on such address may be issued in the case of special meeting.
- (1) The Secretary in consultation with the Chairman shall convene ordinary meeting at least once a quarter in every year ;
 - (2) At least one special meeting shall be called by the Chairman every year to consider and frame budget and programme for the next financial year in the month of July or August or as soon thereafter as may be possible. Special meetings can also be requisitioned if two third of the members so desire in writing. The date, time and place of such meeting shall be fixed by the Chairman.
7. The Secretary shall send an intimation of such a special meeting to all the members at least three clear days before the date fixed for the meeting and shall send a copy of the agenda along with the intimation.
8. Notwithstanding anything contained in Regulations 4 and 7 the Chairman, Vice-Chairman or other person presiding may place or permit to be placed for the consideration of the Board any matter not included in the agenda of a meeting of the Board on which the advice of the Board is required and the Board shall consider the matter at such meeting.
9. Every meeting shall be presided over by the Chairman or in his absence, by the Vice Chairman, in the absence of both, the members shall choose from among themselves a person to preside over the meeting.
10. Quorum at every meeting shall consist of 1/3rd of the total number of members of the Board.

Provided that an adjourned meeting for want of a quorum may be held without quorum to consider the agenda already circulated on such date, time and place as the Chairman may fix.

11. The Chairman, with the consent of the Members present, adjourn or postpone a meeting but no business other than the business left unfinished shall be transacted at any adjourned meeting and such other business of which notice was given to the members in accordance with the provisions of these regulations.
12. (1) All matters coming before the Board shall be decided by a majority of the votes of the members present and voting.
- (2) In case a equality of votes, the Chairman, Vice-Chairman or the person presiding shall have and exercise a second or a casting vote.
- (3) All other points of procedure at any meeting shall be decided by the Chairman, Vice-Chairman or other person presiding.
- (4) Any resolution of urgent and important nature may be passed by circulation amongst members of the Board or members of the Committee with the approval of the Chairman.
3. The business of the Board shall be transacted from day to day as may be decided by the Chairman until the agenda is finished.
14. The proceedings of the meeting shall be maintained by the Secretary and shall be confirmed in the next succeeding meeting of the Board.
15. The Vice Chairman while presiding over the meetings in the absence of the Chairman shall exercise such powers as may be delegated to him by the Chairman.

PART—III

FORMATION OF COMMITTEE FOR DISCHARGE OF FUNCTIONS OF THE BOARD.

16. The Board shall appoint from time to time from amongst its members one or more committees under section 11 of the Act for the discharge of its various functions and duties,

17. The Chairman and the Secretary of the Board shall also be ex-officio members of the Committees. The Chairman may invite any other person to sit in any of the Committees for advice.

18. The functions of the Committees shall mainly be :—

(A) Finance and Budget Programme Committee.

- (i) Preparation of budget Estimates.**
- (ii) Procurement of finance.**
- (iii) Scrutiny of annual programme.**
- (iv) Watching progress of expenditure.**
- (v) Study and evaluation of progress made and results achieved.**

(B) Executive Committee

- (i) It will discharge functions of the Board under sections 16, 17 and 18 of the Act with regard to appointment, fixation of pay, conditions of service and functions and duties of officers and servants of the Board.**
- (ii) It will decide all matters of urgent importance left ambiguous under the resolutions of the Board,**
- (iii) All matters of urgent importance as the Chairman considers proper to be placed before the Board.**
- (iv) All matters that may be referred to the Executive Committee for consideration and decision by the Board.**

(C) Khadi Committee

Consideration of ways and means to expand Khadi and Village Industries in the State.

(D) Co-operative Advisory Committee.

Consideration of ways and means to expand Khadi and Village Industries in the State on Co-operative Lines.

(E) Pilot Project Committee.

Consideration of work to be done in the Community Project Areas.

19. The procedure to be followed by the Committees, for the conduct of its business shall be as follows ; -

- (i) The Committee shall hold meeting as and when necessary.
- (ii) The Secretary shall send notice of every meeting to each member of the Committee at least five clear days before the date fixed for the meeting together with a copy of the Agenda for such meeting.
- (iii) Any member desiring to move a resolution at a meeting shall send a copy of the same to the Secretary at least seven days in advance.
- (iv) Three members shall form quorum.
- (v) All matters coming before the Committee shall be decided by the majority of the members present and voting.
- (vi) In case of equality of votes, the Chairman or the person presiding shall have and exercise a second or casting vote.
- (vii) The various committees appointed by the Board shall submit to the Chairman of the Board, a copy of their recommendations, who shall arrange to place the same before the Board as soon as possible thereafter for the consideration of the Board.

PART IV

Remuneration, Allowance and other conditions of Service of Members of the Staff of the Board.

20. Recruitment to the posts under the Board shall be made by Executive Committee.
21. The employees of the Board shall generally be governed by the same conditions and rules of service as are applicable to the Government servants of the State of Punjab possessing equal status.
22. The staff shall draw its salaries in accordance with the budget provision passed from time to time.
23. The benefit of the Provident Fund shall be provided for the members of the staff, subject to such rules as may be framed or approved by the Board.
24. The Board may take on deputation government servants on such terms and conditions as may be mutually settled with the State Government concerned.

PART V

Functions and duties of the Secretary, Joint Secretary and other Members of the Staff of the Board.

25. The following shall be the duties and powers of the Secretary :—
 - (1) To arrange for holding meetings of the Board or its committees, maintain proceedings of the Board records thereof according to rules and regulations.
 - (2) To act as convener of the meeting.
 - (3) To carry on day-to-day routine administration of the Board and its affairs particularly in regard to schemes, works or institutions run by or administered by the Board and exercise such powers as may be necessary in the proper discharge of his duties and responsibilities including examination of books of accounts, vouchers or

other relevant registers by himself or any other official so authorised.

- (4) To look after the property and other contractual obligations of the Board.
- (5) To operate on the funds of the Board in accordance with the rules and maintain or cause to be maintained by his staff proper accounts of the Board.
- (6) With the exception of such funds as may be provided in Regulations of the Board, to deposit cash with the State of India or a Co-operative Bank a Scheduled Bank with the approval of the Board.
- (7) To purchase or sanction purchase of raw material required for any scheme, work or institution sanctioned under the scheme and also to purchase or sanction purchase of goods, instruments or sundry articles as may be approved in the budget or under the contingent grant, provided the amount does not exceed Rs. 10,000/- and with the sanction of Chairman for an amount exceeding Rs. 10,000/- up to the full limit of personal Ledger Account.
- (8) To engage skilled or unskilled labourers, etc. or permit the same to be engaged on daily wages as may be required under the scheme.
- (9) To permit any building to be hired for carrying out functions of the Board upto Rs. 100/- per mensem and up to Rs. 250/- with the approval of the Chairman and above that with the approval of the Executive Committee.
- (10) To appoint Class IV servants or terminate their services or make appointment of Clerks as stop gap arrangements in consultation with the Chairman.

- (11) To send the proceedings of the meetings of the Board to the Government of Punjab in the Administrative Department concerned under section 10 of the Act.
 - (12) To sue or be sued in the name of or on behalf of the Board.
 - (13) To assign duties to the servants of the Board working under it, subject to any general directions issued by the Board.
 - (14) To sign all the pay and contingent bills and also to sign the T. A. bills of the non-official member and the servants of the Board.
 - (15) To incur such expenses as may be indispensable to run any scheme or institution in anticipation of the approval of the Board in consultation with the Chairman.
 - (16) With the approval of the Executive Committee to increase or reduce the staff employed in the various schemes or institutions in consonance with the increase or decrease in the volume of work so long as there is no notable loss.
 - (17) Duties of the staff working under the Board shall be assigned by the Secretary.
 - (18) To carry on any other work assigned to him by the Board.
25. Subject to the provisions of the rules framed under the Act, the Joint Secretary shall exercise such powers and perform such functions as that of the Secretary when acting for him under instructions of the Chairman.

P. C. Nayar,
Secretary,
Punjab Khadi and V. I. Board,
Chandigarh.

H. B. LALL,
Secretary to Government, Punjab,
industries Department.

INDUSTRIES DEPARTMENT NOTIFICATION

The 4th September, 1957

(As amended upto 27th January, 1983)

Vide Notified on No. GSR 10/P.A 40/56/S. 34/Amd(2)/83 dated 27.1.1983)

No. 3710-8-DIB-57/16996.—In exercise of the powers conferred by Section 34 of the Punjab Khadi and Village Industries Board Act, 1955 (Act 40) of 1956), the Governor of Punjab is pleased to make the following rules, namely :—

1. Short title.—These rules may be called the Punjab Khadi and Village Industries Board Rules, 1957.
2. Definition.—In these rules, unless the context otherwise requires.
 - (a) “Act” means the Punjab Khadi and Village Industries Board Act, 1955, (Punjab Act 40 of 1956),
 - (b) ‘Chairman’ means the Chairman of the Board.
 - (c) ‘Vice-Chairman’ means the Vice Chairman of the Board.
 - (d) ‘Secretary’ means the Secretary of the Board.
 - (e) ‘Joint Secretary’ means the joint Secretary of the Board.
 - (f) ‘Financial year’ means the year commencing on the 1st day of April.
 - (g) ‘bank’ means,—
 - (i) a banking company as defined in the Banking Regulation Act, 1949 ;
 - (ii) any banking institution notified by the Central Government under section 51 of the Banking Regulation Act, 1949 ;
 - (iii) the State Bank of India constituted under the State Bank of India Act, 1955 ;
 - (iv) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 ;
 - (v) any of the Banks mentioned in column 2 of the First Schedule to the Banking Companies (Acquisition and Transfer of undertakings) Act, 1970,
 - (h) “Centre” means,—

- (i) a District Office of the Board including its any other sub-office; and
- (ii) the establishments of the Board which encourage, assist or carry on khadi and village industries or carry on trade or business in such industries and in the matters incidental to such trade or business;

(i) "registered institution" means :—

- (i) any Co-operative Society registered under the Punjab Co-operative Societies Act, 1961 ; and
- (ii) any society registered under the societies Registration Act, 1860 ;

(j) "form" means a form appended to these rules."

3. Procedure of payments, deposits and investments on behalf of the Board :—

(a) The Board shall receive requisite funds for implementing the various schemes and under section 20 of the Act and deposit the same in the Bank.

(b) Payments by or on behalf of the Board shall be made in cash or by cheques drawn against the current account of the Board.

(c) The cheques and all orders for making investments or withdrawal of the same, or for the disposal in any other manner of the funds of the Board shall be signed by the Secretary ; provided the transaction does not exceed Rs. 5,000/- in each case and where the amount exceeds, this will be countersigned by any member of the Board specially authorised by the Chairman in writing to do so.

(d) Placing of money in fixed deposits and investment thereof and the disposal of such money if so placed or invested shall require the prior approval of the Board.

"Provided that the moneys received from the Commission shall be placed in fixed deposit in a bank with the prior approval of the Chairman."

4. Custody of money required for current expenditure of Board and investment of money not so required :—

(a) The account of the Board shall be kept in bank and all moneys of the Board with the exception of :—

- (i) petty cash as mentioned in clause (c) ;
- (ii) money placed in fixed deposits ;
- (iii) money invested in accordance with the provisions hereafter contained shall be paid into that account.” ;

(4 - A) Power to write off (I) The Board may on the recommendation of the Finance Committee of the Board, write off losses upto Rs. 1,000/- falling under any or all of the following categories :—

- (a) Loss of irrecoverable value of stores of public money due to theft, fraud, etc.
 - (b) Loss of irrecoverable advance other than loans ; and
 - (c) Deficiency and depreciation in the value stores.
2. The Board shall take suitable action against the person responsible for the loss and send a report to the Government or Commission, as the case may be.

Explanation

Nothing contained in this rule shall apply to loss occasioned by irrecoverable loans. Sanction of the Government or Commission, as the case may be, shall be obtained before such losses are written off)

- (b) The Secretary will place requisite cash at the disposal of Incharges of the various centres for running day-to-day work of the said centre ; provided the amount does not exceed Rs. 2,000/- for an individual centre. In such cases where the amount exceeds Rs. 2,000/- but does not exceed Rs. 10,000/- prior approval of the Chairman will be obtained in writing. In cases where the amount exceeds the limit of Rs. 10,000/- the prior approval of the Board shall be necessary.
- (c) The petty cash required for meeting current expenditure shall be in the custody of the cashier or any other officer who may be nominated by the Secretary in this behalf and shall not exceed Rs. 1,500/-.
- (d) Persons entrusted with the Cash, store and stock will be required to furnish necessary security as may be determined by the Government from time to time.

5. Travelling Allowance For the purpose of reimbursing personal expenditure incurred in attending the meetings of the Board, or in connection with any other duty assigned to them by the Board or the Govt. for the purpose of the Act, member of the Board or its sub-committees, including co-opted members, who are non-officials shall be paid travelling allowance at the rates fixed for, "Government employees of Grade I and daily allowance at rates to be fixed by the competent authority from time to time.

Note :—The expression 'competent authority' used in this rule shall mean the Administrative Department Acting in consultation with the Department of Finance.

6. Making of contracts—(a) Every contract or agreement on behalf of the Board, shall be in writing and shall be signed and sealed with the common Seal of the Board.

(b) the Secretary may, on behalf of the Board, enter into any contract or agreement in such manner and form as, according to the law for the time in force would bind him if the contract or agreement were entered into on his own behalf ; provided that the amount of contract or agreement does not exceed Rs. 25,000;

(c) Any other contract or agreement on behalf of the Board exceeding Rs.25,000 shall be entered into by the Secretary in the presence of another member so authorised by the Board, who would also affix his signatures to the contract or agreement in token that the same was signed in his presence. The signatures of such a member shall be in addition to the signatures of any witnesses to the execution of such a contract or agreement."

7. Preparation of programme—The programmes under Section 23 (1) of the Act shall be prepared by the Board during every financial year for the next financial year in the form 'A' and shall be forwarded to the State Government before the 15th September, in the year in which of it is prepared A Supplementary programme, if any, under section 27 of the Act shall also be

prepared by the Board in any financial year in form 'A' and shall be forwarded to the State Government before the 30th June in that year.

8. Preparation of Budget—(a) The Board will submit to Government its annual budget in the usual form in accordance with the calender which may be issued by Government and the instructions which Government may issue from time to time. The budget shall show distinctly in full details and with explanatory notes for marked differences in estimated marked receipts and expenditure under all its heads on capital and revenue accounts, the schedule of staff already employed and to be engaged during the next year in the usual form. It shall be accompanied by the Board's programme relating to each scheme and schedule of staff as sanctioned by Government.
- (b) A supplementary budget, if necessary, shall be submitted to Government in the usual form on such date as the Government may specify.
9. The Board will grant Loan, subsidy, etc. to individuals and registered institution within the budget provision of various schemes.
10. Annual Reports.—The Board shall submit its annual report, report in the form 'B' to Government and the Head of the Department associated with the development of Khadi and Village Industries before the expiry of the period specified in section 28 of the Act.

The quarterly progress report shall be prepared by the Secretary in the form that may be prescribed by Government and copies thereof submitted to the Government and the Head of the Department associated for the development of Khadi and Village Industries.

11. Accounts.—The receipts and expenditure of the Board shall be classified under such major, minor and subordinate heads of accounts, as the State Government may in consultation with the Board direct and shall be shown under such further detailed heads again as the Board may deem necessary for the purpose of administration and control.

Within six months of the close of each year the annual statement of account referred to in section 30 (1) of the Act shall be prepared, showing the financial results of any scheme or works undertaken by the Board in that year.

MANGAT RAI

Secretary to Government, Pb.,
Industries Department.

Form—A
Programme

1. **Name of the Scheme:**
2. **Introduction.**
3. **Scheme as in operation during the current year—Administrative aspects.**
Technical aspects (Training).
Economic aspects.
Social and rural development aspects with particular reference to employment, progress achieved during the six months and expected during the remaining part of the year.
4. **New year's programme.**
 - (a) **Administrative.**
 - (b) **Technical.**
 - (c) **The Programme shall contain :—**
 - (1) **the particulars of the scheme which the Board propose to execute whether in-part or wholly, during the next year.**
 - (2) **Particulars of any work or undertaking which the Board proposed to organise during the next year for the purposes of and carrying out its functions under the Act ; and**
 - (3) **Such other particulars as may be required.**
5. **Estimated receipts and expenditure.**
6. **Reasons and full justifications for the supplementary programme.**
(* For supplementary programme only).

FORM—B

1. Introductory.
2. Constitutional changes, if any.
3. Administrative review.
4. Meetings of the Board (short review).
5. Industry wise brief description and prospective programme for the next year.

Note :—Review of each scheme should lay stress on its record of socio-economic and financial aspects. It should contain complete statistics with special reference to training and Five-Year-Plans.

6. General Survey.

No 3710-8-DIB-57/16996-A, dated Chandigarh the 4th September, 1957.

A copy is forwarded to the Director of Industries, Punjab, for information.

MUKAND LAL BHASIN
SUPERINTENDENT INDUSTRIES
 for Secretary to Government, Pb.
 Industries Department

No. 3710-B-DIB-57/16996-B, dated the 4th September, 1957

A copy is forwarded to the Secretary, Punjab Khadi and Village Industries Board, Jullundur, for information.

MUKAND LAL BHASIN
SUPERINTENDENT, INDUSTRIES
 for Secretary, to Government Pb,
 Industries Department.

No. 3710-B-DIB-57/16996-C, dated the 4th September, 1957

A copy is forwarded to the Accountant General, Punjab for information.

DES RAJ MALIK
ASSISTANT SECRETARY, FINANCE (II)
 for Secretary to Government, Pb.
 Finance Department.

A copy is forwarded to the Secretary to Government, Punjab, Finance Department (II), for information, with reference to his U.O. No. 3410 FDII-57, dt. 17th/18th June, 1957.

MUKAND LAL BHASIN
SUPERINTENDENT, INDUSTRIES
 for Secretary, to Government, Pb.,
 Industries Department.

To

The Secretary to Government, Punjab, Finance Deptt. U O. No. 2710-8-DIB-57, dated Chandigarh the 4th September, 1957.