

Telangana Khadi and Village Industries Board Act, 1958

TELENGANA

India

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Act 4 of 1959

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Telangana Khadi and Village Industries Board Act, 1958(Act No. 4 of 1959)Last Updated 7th January, 2020The Andhra Pradesh Khadi and Village Industries Board Act, 1958 in force in the combined State, as on 02.06.2014, has been adapted to the State of Telangana, under section 101 of the Andhra Pradesh Reorganisation Act, 2014 (Central Act 6 of 2014) vide. the Notification issued in G.O.Ms.No.72, Industries and Commerce (FP&MSME) Department, dated 30.09.2015.

Chapter I

. Preliminary.

1. Short title, extent and commencement.

(1)This Act may be called the [Telangana] [Substituted by G.O.Ms.No.72, Industries and Commerce (FP & MSME) Department, dated 30.09.2015.] Khadi and Village Industries Board Act, 1958.(2)It extends to the whole of the State.(3)It shall be deemed to have come into force on the third November, 1958 in the areas of the State which immediately before the 1st November, 1956 were comprised in the State of Telangana, and shall come into force in the remaining areas of the State on the date appointed by the Government by a notification such date not being earlier than the date on which an order issued under sub-section (1) of section 4 of the Inter-State Corporations Act, 1957 (Central Act 38 of 1957), takes effect.

2. Definitions.

- In this Act, unless the context otherwise requires,-(i)'Board' means the [Telangana] [Substituted by G.O.Ms.No.72, Industries and Commerce (FP & MSME) Department, dated 30.09.2015.] Khadi and Village Industries Board constituted under section 3;(ii)['Commission' means the Khadi and Village Industries Commission established under section 4 of the Khadi & Village Industries Commission

Act, 1956, (Central Act 61 of 1956);] [Substituted by Act No.5 of 1962.](iii)'Chairman', [xxx] [Omitted (Vice-Chairman) by Act No.5 of 1962.], [Vice-Chairman] [Substituted for 'Secretary' by Act No.30 of 1981.], 'Chief Executive Officer' and 'Member' means respectively the Chairman, [xxx] [Omitted (Vice-Chairman) by Act No.5 of 1962.], [Vice-Chairman] [Substituted for 'Secretary' by Act No.30 of 1981.] and Chief Executive Officer and Member of the Board;(iiia)[xxx] [Clause (iiia) inserted by Act No.5 of 1962 omitted by Act No.30 of 1981.](iv)'Government' means the State Government of [Telangana] [Substituted by G.O.Ms.No.72, Industries and Commerce (FP & MSME) Department, dated 30.09.2015.];(v)'Khadi' means any cloth woven on hand-looms in India from cotton, silk or woollen yarn hand spun in India or from a mixture of any two or all of such yarns;(vi)'notification' means a notification published in the [Telangana] [Substituted by G.O.Ms.No.72, Industries and Commerce (FP & MSME) Department, dated 30.09.2015.] Gazette;(vii)'prescribed' means prescribed by rules made under this Act;(viii)'regulations' means regulations made by the Board under this Act;(ix)'State' means the State of [Telangana] [Substituted by G.O.Ms.No.72, Industries and Commerce (FP & MSME) Department, dated 30.09.2015.];(x)'Village Industries' means all or any of the industries which form the normal occupation, whether whole time or part time, of any class of the rural population of the State and includes any other industry which the Government may, of their own motion or on the recommendation of the Board, declare by notification to be a village industry for the purposes of this Act; but does not include any of the industries specified in the Schedule to the Industries (Development and Regulation) Act, 1951 (Central Act 65 of 1951).

Chapter II

The Board

3. Establishment and Constitution of the Board.

(1)With effect from such date as the Government may, by notification, appoint in this behalf, there shall be established a Board to be called the [Telangana] [Substituted by G.O.Ms.No.72, Industries and Commerce (FP & MSME) Department, dated 30.09.2015.] Khadi and Village Industries Board with its Head Quarters in the City of Hyderabad which shall be a body corporate having perpetual succession and a common seal, with power to acquire, hold and dispose of property to do all things incidental to and necessary for the purposes of this Act and to contract, and may by the said name sue and be sued.(2)[The Board shall consist of the following members, namely:-(i)five non-official persons to be appointed by the Government who have shown an active interest in the production and development of Khadi or in the development of Village Industries of whom one member shall be nominated as the Chairman and another member shall be nominated as the Vice-Chairman by the Government;(ii)the Additional Director of Industries, in-charge of Khadi and Village Industries, Member Ex-Officio;(iii)the Joint Secretary or the Deputy Secretary to Government in the Industries and Commerce Department, in-charge of Khadi and Village Industries, Member Ex-officio;(iv)the Joint Secretary or the Deputy Secretary to Government in the Finance and Planning (FW) Department, in-charge of Khadi and Village Industries, Member Ex-officio; and(v)the Chief Executive Officer, Member Ex-officio.(3)The Chairman shall exercise such powers and perform such functions as may be prescribed or as may be delegated to him by the Board.(4)The Vice-Chairman

shall exercise such powers or perform such functions as may be prescribed or as may be delegated to him by the Chairman or the Board.] [Sub-sections (2), (3) and (4) substituted by Act No.33 of 1997.](5)[The Chief Executive Officer shall be responsible for the conduct of and procedure at the meetings of the Board and for implementing the resolutions of the Board.] [Substituted by Act No.30 of 1981.]

4.

[xxx] [Omitted by Act No.30 of 1981.]

5. [Term of office of the Chairman, Vice-Chairman and non-official members and their resignation. [Substituted including in the marginal heading by Act No.33 of 1997.]

- [(1)] The Chairman, Vice-Chairman and the non official members of the Board] shall hold office for a period of three years from the date of his appointment, but may resign his office earlier by giving notice in writing to the Government, and shall cease to be a Member on the resignation being accepted by the Government.](2)[Notwithstanding anything in sub-section (1), the Government may, reduce the term of office of [Chairman, Vice-Chairman or any member] [Added by Act No.30 of 1981.] before the expiry of his term of office, without giving any notice to such member, and appoint any other person in his place.]

6. Temporary association of persons with the Board for particular purposes.

(1)The Board may associate with itself in such manner and for such purposes as may be determined by regulations any persons 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 shall have the right to 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, by notification, depute one or more officers of the Government to attend any meetings 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.

6A.

[xxx] [Omitted by Act No.30 of 1981.]

7. Meeting of the Board.

(1)The Board shall meet at such times and places and shall, subject to the provisions of sub-sections (2) and (3) observe such rules of procedure in regard to transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations:Provided that the board shall meet at least once in two months.(2)[The Chairman, or in his absence the Vice-Chairman, and in

the absence of both the Chairman and Vice-Chairman, any member of the Board chosen by the members present among themselves, shall preside at a meeting of the Board.] [Substituted by Act No. 30 of 1981.](3)All questions at a meeting of the Board shall be decided by a majority of the votes of the members present and voting and in the case of an equality of votes, the person presiding at the meeting shall have a second or casting vote.(4)[A copy of the agenda for every meeting as well as the proceedings of the meeting] of the Board shall be forwarded to the Government in the Industries Department.] [Substituted by Act No.30 of 1981.]

8. Vacancy etc., not to invalidate acts and proceedings of the Board.

- No Act or proceedings of the Board shall be invalid by reason only of the existence of any vacancy amongst its members or any defect in the constitution thereof.[xxx] [Proviso and the Explanation omitted by Act No.30 of 1981.]

9. [Terms and conditions of service of Chairman and the Vice-Chairman etc. [Substituted by Act No.30 of 1981.]

- The conditions of service of the [Chairman and the Vice-Chairman] and the terms and conditions of service of other members of the Board, including the salaries or honoraria and the allowances to be paid to them, shall be such as may be prescribed.]

10. [Officers and servants of the Board. [Substituted with marginal heading by Act No.30 of 1981.]

(1)The Government shall appoint the Chief Executive Officer, the Financial Adviser and Chief Accounts Officer and the Deputy Chief Executive Officer, and other persons to fill the posts carrying equivalent scales of pay to those aforesaid, either on deputation or otherwise.(2)The Chief Executive Officer shall be the principal Administrative Officer of the Board and shall exercise such powers and discharge such duties as may be prescribed or as may, from time to time, be delegated to him by the Board or by the Chairman and shall be directly responsible for the due fulfilment of the purposes of this Act.(3)Subject to such rules as may be made by the Government in this behalf, the Board may, with the prior sanction of the Government, appoint such other officers and servants as it may consider necessary for the efficient performance of its functions. All the officers and servants of the Board shall be subordinate to the Chief Executive Officer.]

Chapter III

Functions of The Board.

11. Functions of the Board.

(1)Subject to the provisions of this Act, the functions of the Board shall generally be to plan, organize and implement programmes of works for the development of Khadi Village Industries.(2)In

particular and without prejudice to the generality of foregoing power, the Board may take such steps as 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 of raw materials and implements and to supply them 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;(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 organise Co-operative societies for khadi and village industries;(h)to help the people by providing them with work in their homes and to give them monetary help;(i)to grant loans and other assistance to institutions carrying on the khadi or other village industry from bulk allotment which may be made to it by the Government in this behalf subject to such conditions as may be laid down by the Government for this purpose;(j)to conduct training centres and to train people thereat with a view to equipping them with the necessary knowledge for starting or carrying on khadi and village industries;(k)to conduct survey or assess potentialities of cottage and village industries and the scope for their development with a view a promote such industries for the purpose of eliminating unemployment;(l)to arrange for publicity and popularisation of finished products manufactured in the khadi and village industries by opening stores, shops, emporiums or exhibitions and by taking other similar measures for the purpose;(m)to incur expenditure and undertake works in any area of the State in which this Act is for the time being in force for framing and executing such schemes as it may consider necessary for the purposes of this Act or as may be entrusted to it from time to time, by the Government, subject to the provisions of this Act and the rules made thereunder;(n)for ensuring the genuineness of, and for granting certificates to producers of, or dealers in khadi or the products of any village industry on payment of fees according to such scale as may be provided in the regulations;(o)to carry out any other matter which may be prescribed.

11A. [General powers of the Board. [Inserted with marginal heading by Act No.30 of 1981.]

- The Board shall, for the purpose of carrying out its functions under this Act, have the following powers, namely:-(i)to acquire and hold such movable and immovable properties as it deems necessary and to lease, sell or otherwise transfer any such property:Provided that any lease, sale or other transfer to any person or authority, other than the Commission, of any immovable property belonging to the Board shall be null and void unless it is sanctioned by the Government;(ii)to appoint a committee or committees for securing the efficient performance of its functions and in particular, for ensuring that such functions are performed with due regard to the requirements of the local area concerned;(iii)to incur expenditure and undertake any work in any area in the State for the framing and execution of such schemes 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; and(iv)to enter into any contract and to do all things necessary for the purposes of this Act.]

12. [Standing Committee of the Board. [Substituted with marginal heading by Act No.30 of 1981.]

- The Board may constitute a standing finance committee consisting of such members as may be prescribed. The standing finance committee shall exercise such powers and perform such functions relating to the finances of the Board, as may be delegated to it by regulations made by the Board.]

13. Preparation, submission and sanction of Annual Programme.

(1)The Board shall, prepare and submit to the Government every year before such date as may be prescribed a programme of works containing prescribed particulars of schemes, undertakings and works which the Board proposes to organise and execute during the next ensuing year.(2)The Government shall consider such programme and may-(a)sanction the programme;(b)add to, alter or modify the programme and sanction the programme so added to, altered or modified, or remit the same to the Board for re-consideration and submission to the Government with the report of the Board.(3)[xxx] [Omitted by Act No.30 of 1981.]

14. Power of Government to give directions.

- In the exercise of [their powers] [Substituted by Act No.30 of 1981.] and in discharge of [their functions] [Substituted by Act No.30 of 1981.] under this Act, [the Board and the Chief Executive Officer] [Substituted by Act No.30 of 1981.] shall be bound by such directions as the Government may give [to them] [Substituted by Act No.30 of 1981.]:[Provided that any directions given by the Government to the Chief Executive Officer immediately before the commencement of the Andhra Pradesh Khadi and Village Industries Board (Amendment) Act, 1981, shall be deemed to have been given under this section.] [Added by Act No.30 of 1981.]

15. [Dissolution of the Board. [Substituted with marginal heading by Act No.30 of 1981.]

(1)If at any time, the Government are satisfied that-(a)the Board has, without reasonable cause or excuse, made default in the discharge of its duties, or in the performance of its functions, imposed or entrusted by or under this Act, or exceeded or abused its powers; or(b)circumstances have so arisen that the Board is rendered unable, or may be rendered unable, to discharge its duties or perform its functions under this Act; or(c)it is otherwise expedient or necessary to dissolve the Board;The Government may, by notification, dissolve the Board for such period as may be specified in the notification and declare that the duties, powers and functions of the Board shall, during the period of its dissolution, be discharged, exercised and performed by such person or authority, as may be specified in the notification:Provided that the Government may, for reasons to be recorded in writing, hold that it shall not be necessary to give the Board any opportunity of making representation on the action proposed.(2)The Government shall, before the expiration of the period of dissolution, reconstitute the Board in accordance with the provisions of section 3.(3)The Government may make such incidental and consequential provisions as may appear to them to be

necessary for giving effect to the provisions of this section.(4)Any notification issued or order made by the Government under this section shall not be questioned in any Civil Court.(5)On the Board being dissolved under sub-section (1)-(i)all funds and other properties vested in the Board shall vest in the Government; and(ii)all liabilities, legally subsisting and enforceable against the Board shall be enforceable against the Government to the extent of the funds and properties vested in the Government under clause (i).]

Chapter IV

Finance, Accounts and Audit

16. Funds of the Board.

(1)The Board shall have its own fund and all receipts of the Board shall be credited thereto and all payments by the Board shall be made therefrom. The fund shall be operated by an officer or officers authorised by the Board, subject to the conditions prescribed.(2)The Board may accept grants, subventions, donations and gifts and borrow any amount from the State or the Central Government, or the [Commission] [Substituted for 'Central Board' by Act No.5 of 1962.] or a local authority [or a commercial bank or a co-operative financing society] [Substituted by Act No.30 of 1981.] for all or any of the purposes of this Act.(3)The previous sanction of the Government shall be obtained for receiving any loan or borrowing any amount under sub-section (2):Provided that the provisions of this sub-section shall not apply when the Board receives any loan or borrows any amount from the State Government or the [Commission] [Substituted for 'Central Board' by Act No.5 of 1962.].(4)The sums borrowed from the Government (State or Central) or the [Commission] [Substituted for 'Central Board' by Act No.5 of 1962.] shall be a charge on the assets of the Board.(5)All moneys belonging to the fund of the Board shall be deposited in such Bank and Treasury or be invested in such securities as may be approved by the Government.

17. Application of fund and property.

- The property, fund and other assets of the Board shall be held and applied by it subject to the provisions, and for the purpose of this Act.

18. Subventions and grants to the Board.

(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 in each case.(2)The Board may ask for specific allocations of funds from the funds of the [Commission] [Substituted for 'Central Board' by Act No.5 of 1962.] to be spent on schemes undertaken by the Board subject to the approval of the [Commission] [Substituted for 'Central Board' by Act No.5 of 1962.].

19. Recovery of arrears.

(1)Where any loan or advance granted by the Board to any institution or person is not repaid before the date specified therefor, [or where any other amount is due to the Board from any person or institution either under a contract or otherwise] [Inserted by Act No.30 of 1981.], the Board may without prejudice to any other mode of recovery, issue a certificate for the amount due to the Collector of the District concerned, and the Collector shall proceed to recover the amount in the same manner as an arrear of land revenue:[Provided that no certificate under this sub-section shall be issued unless the defaulter has been given an opportunity of making a representation against the action proposed:Provided further that it shall be lawful for the Board to issue succession certificates under this sub-section to the Collector for the realisation of its dues in full, if it is satisfied that the defaulter has come into possession of assets from which it can recover its dues.] [Added by Act No.30 of 1981.](2)The Board may write off irrecoverable losses with the previous sanction of the Government or the [Commission] [Substituted for 'Central Board' by Act No.5 of 1962.] as the case may be [subject to such limits as may be laid down in the regulations.] [Inserted by Act No.30 of 1981.]

20. Budget.

(1)The Board shall prepare in such form as may be prescribed, a budget in respect of the financial year next ensuing showing the estimates, receipts and expenditure on capital and revenue accounts according to the annual programme referred to in section 13; and the Schedule of the stock and sufficient number of copies of such budget shall be forwarded to the Government before the prescribed date.(2)The Government may sanction the budget with such modifications as they may deem fit.(3)The Board shall be competent to re-appropriate such amount as may be necessary from one scheme to another or within sub-heads and minor heads, subject to the condition that the cost of any scheme shall not exceed the amount originally sanctioned by the Government by more than one third without approval of the Government.

21. Supplementary Budget.

- The Board may forward a supplementary budget for the sanction of the Government in such form and before such date as may be prescribed and the provisions of sub-sections (2) and (3) of section 20 shall apply to such supplemental budget.

22. Annual Report.

(1)The Board shall prepare in such form and at such time as may be prescribed an annual report giving a true and full account of its activities during the previous year and sufficient number of copies thereof shall be forwarded to the Government;(2)The Government shall on receipt of the annual report under sub-section (1) cause a copy of the same to be laid on the table of the Legislature of the State.

23. Accounts and Audit.

(1)The Board shall maintain such books of account and other books in relation to the account, in such form, and in such manner as may be prescribed.(2)The accounts of the Board shall be audited, at such time and in such manner as may be prescribed, by a chartered accountant or by such person as the Government may appoint in this behalf.(3)As soon as the accounts of the Board are audited, the Board shall send, in such manner as may be prescribed a copy thereof together with a copy of the report of the auditor relating thereto, to the Government.

24. Returns and Reports.

- The Board shall furnish to the Government such returns, accounts and other information with respect to its fund or its activities as the Government may require.

Chapter V Miscellaneous

25. Transitional provisions.

- All debts or expenditure incurred, all contracts entered into, and all matters and things done, by the State Khadi and Village Industries Board established under G.O.Ms.No.1216 Home (NES), dated the 19th July, 1954, upto the date of the establishment of the Board in accordance with the provisions of this Act shall be deemed to have been incurred, entered into or done by the Board, and all suits and legal proceedings instituted or which may be instituted by or against the State Khadi and Village Industries Board aforesaid shall be continued or instituted by or against the Board.

26. Members, officers and employees of the Board to be public servants.

- All members, officers and employees of the Board when acting or purporting to act in pursuance of any of the provisions of this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (Central Act 45 of 1860).

27. Bar of certain proceedings.

(1)No suit, prosecution or other legal proceedings shall lie against any person in the employment of the Board for anything which is in good faith done or purported to be done under this Act.(2)Save as otherwise provided in this Act no suit or other legal proceedings shall lie against the Board for any damage caused or likely to be caused by anything in good faith done or purported to be done under this Act.

27A. [Revision. [Inserted with marginal heading by Act No.30 of 1981.]

(1)The Government may, either suo motu or on application, call for and examine the record of the Board in respect of any decision or proceeding taken or order passed under this Act to satisfy themselves as to the correctness or regularity or legality or propriety of such decision or proceeding or order taken or passed and if in any case it appears to the Government that such decision, proceeding or order should be modified, annulled, reversed or remitted for reconsideration, they may pass an order accordingly:Provided that every application to the Government for the exercise of the power under this section shall be preferred within ninety days from the date on which the decision, proceeding or order to which an application relates was communicated to the applicant:Provided further that the Government shall not pass any order adversely affecting any person unless such person has been given an opportunity of making his representation.(2)The Government may stay the execution of any such decision, proceeding or order pending the exercise of their powers under sub-section (1) in respect thereof.]

28. Power to make rules.

(1)The Government may, by notification, make rules for carrying out all or any of the purposes of this Act.(2)In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely, -(a)[the manner of filling casual vacancies among the members of the Board [xxx] [Substituted by Act No.5 of 1962.] and the terms and conditions of service of the Chairman, [the Vice-Chairman] [Substituted for the words 'the Secretary' by Act No.30 of 1981.] and other members of the Board [xxx] [Omitted (and the council) by Act No.30 of 1981.] including the salaries or honoraria and the allowances to be paid to them and the travelling and daily allowances to be drawn by them when they are on tour;](b)the disqualifications for [membership of the Board [xxx] [Substituted by Act No.5 of 1962.]] and the procedure to be followed in removing a member who is or becomes subject to any disqualification including the procedure to be followed for suspending a member pending enquiry as to his disqualification;(c)the procedure to be followed for placing the Board in possession of funds;(d)the procedure to be followed and the conditions to be observed in borrowing moneys or in granting loans;(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 conditions subject to which movable or immovable property may be acquired by the Board or any immovable property belonging to it may be transferred by sale, lease or otherwise, the conditions subject to which any movable or immovable property belonging to the Government may be transferred to the Board for its use and management for the purposes of this Act;(g)any other matter which has to be, or may be, prescribed.(3)All rules made under this section shall be laid on the table of the Legislature as soon as possible after they are made and shall be subject to such modifications, whether by way of repeal or amendment, as that Legislature may make within fourteen days thereafter during the session in which they are so laid.

29. Power to make regulations.

(1)The Board may, with the previous sanction of the Government, by notification, make regulations, not inconsistent with this Act and the rules made thereunder,[for enabling the Board to discharge its

functions under this Act] [Substituted by Act No.30 of 1981.].(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 the Chief Executive Officer and other officers and servants of the Board [xxx] [(Other than the Secretary) omitted by Act No.30 of 1981.] including payment of travelling and daily allowances in respect of journeys undertaken by such officers and servants for the purposes of this Act;(b)the time and place of meetings of the Board [xxx] [Omitted (and the Council) by Act No.30 of 1981.] 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 delegation of powers and duties of the Board to the standing finance committee] [Substituted by Act No.30 of 1981.], the Chief Executive Officer or any employee of the Board;(d)the maintenance of minutes of meetings of the Board [xxx] [Omitted (and the Council) by Act No.30 of 1981.] and the transmission of copies thereof to the Government;(e)the persons by whom and the manner in which, payments, deposits and investments may be made on behalf of the Board;(f)the custody of moneys required for the current expenditure of the Board and the investment of moneys not so required;(g)the form in which and the scale of fees to be levied for granting the certificates of genuineness of Khadi and Products of Village Industries may be granted by the Board, and the procedure for the grant of such certificates.(3)the Government may, by notification, modify or rescind any regulation made and there upon the regulation shall stand modified accordingly or shall cease to have effect, as the case may be.

30. Repeal.

(1)The Hyderabad Khadi and Village Industries Board Act, 1955 (Hyderabad Act XII of 1955) shall, in its application to this State, stand repealed with effect from the date appointed in the notification issued under sub-section (3) of section 1.(2)The Andhra Pradesh Khadi and Village Industries Board Ordinance, 1958 (Andhra Pradesh Ordinance III of 1958), is hereby repealed.