

Sikkim Khadi and Village Industries Board Act, 1996

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Act 4 of 1996

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Sikkim Khadi and Village Industries Board Act, 1996(Act No 4 of 1996)Last Updated 3rd March, 2020[Dated 29.06.1996]An Act to consolidate and amend the law relating to the Sikkim Khadi and Village Industries Board and to provide for uniformity among the Board in different States of the country and to ensure better co-ordination and implementation of the various programmers being undertaken by them.Be it enacted by the Legislative Assembly of Sikkim in the Forty seventh year of the Republic of India as follows : -Chapter - I Preliminary

1. Short title, extent and commencement.

(1)This Act may be called the Sikkim Khadi and Village Industries Board Act, 1996(2)It extends to the whole of Sikkim.(3)It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

2. Definitions.

- In this Act, unless the context otherwise requires :-(a)"Board" means the Sikkim Khadi and Village Industries Board established under section 3 of the Bill ;(b)"Chairman" means Chairman of the Board ;(c)"Commission" means the Khadi and Village Industries Commission established under section of the khadi and Village Industries Commission Act, 1956 (61 of 1956);(d)"Fixed capital investment" means the Fixed Capital Investment as defied in sub-section (cc) of section 2 of the Khadi and Village Industries Commission Act, 1956 (61 of 1956);(e)"Government" means the Government of Sikkim ;(f)"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 years certified by the Commission as Khadi and shall in include ready made garments made our of such cloth ;(g)"member" means Member of the Board.(h)"notification" means the notification published in the Official Gazette ;(i)"prescribed" means prescribed by rules made under this Act ;(j)"regulations" means regulations made by the Board under this Act ;(k)"rural area" means the area as defined in sub-section (ff) of section 2 of the Khadi and Village Industries Commission Act, 1956 (61 of

1956);(l)"village industry" means any industry as defined in sub-section (h) of section 2 of the Khadi and Village Industries Commission Act, 1956 (61 of 1956).Chapter - II The Khadi and Village Industries Board

3. Establishment and incorporation of the Board.

(1)With effect from such date as the Government may, be notification fix in this behalf, there shall be established a Board to be called the Sikkim Khadi and Village Industries Board.(2)The Board shall be a body corporate having perpetual succession and a common seal and shall by its corporation name sue and be sued.

4. Composition of the Board.

- The Board shall consist of the following members, appointed by the Government, namely :-

(a) Chairman

(b) Maximum four non-official members havingspecialised knowledge and experience with Khadi and VillageIndustries Member,

(c) Three representatives of the Departments ofIndustries Finance and Planning and Development not below therank of joint Secretaries .. Member,

(d) Representative of the Khadi and VillageIndustries Commission .. Member,

(e) Account Officer of the Sikkim Khadi andVillage Industries Board who shall also be the incharge ofaccount of the Board .. Member,

(f) Executive Officer of the Board Member
Secretary.

5. Powers and function of the executive Officer.

(1)The Executive Officer appointed under clause (f) of section 4 shall exercise powers of general superintendence over the affairs of the Board and its day-to-day management under the direction and control of the Chairman.(2)The Executive Officer shall be responsible for the furnishing of all returns, reports and statements required to be furnished to the Government and the Commission under section 3;(3)It shall be the duty of the Executive Officer to place before the Board for its consideration and decision any matter of financial importance which the Accounts Officer suggests to him in writing that such matter be placed before the Board.

6. Power and functions of the accounts officer.

- The Accounts Officer appointed under clause (c) of section 4 shall be in-charge of all financial matters of the Board including its budges, accounts and audit, and it shall be the duty of the Accounts officer to bring to the notice of the Board through the Executive Officer any matter of financial import, which in his opinion, requires consideration and decision by the Board.

7. Disqualification for membership of the board.

- A person shall be disqualified for being appointed as, and for being, a member of the Board. (a) If he is, or is found to be a lunatic or a person of unsound mind; or (b) If he has been adjudged insolvent; or (c) If he has been convicted of an offence involving moral turpitude; or (d) If he has any financial interest in any subsisting contract made with or in any work being done by the Board, except as a shareholder (other than a Director) in a company as defined in section 3 of the Companies Act, 1956 (1 of 1956); Provided that where he is a shareholder, he shall disclose to the Government, the nature and extent of shares held by him in such a company; or (e) If he has any financial interest in any business undertaking dealing with or any other village industry as may be specified.

8. Removal of chairman member etc. from the board.

- The Government may, by notification, remove from the office any member of the Board, who - (a) Is or has become subject to any of the disqualifications mentioned in section 7; or (b) In the opinion of the Government, has failed or is unable to carry out his duties; or (c) Absents himself from three consecutive meetings of the Board without the leave of the Board: Provided that before issuing any such notification the Government shall give an opportunity to the member concerned to show cause against such removal.

9. Resignation of office by member.

(1) Any member may resign his office by giving notice in writing to the Government and, or such resignation being notified in the Official Gazette by the Government, he shall be deemed to have vacated his office. (2) In the event of any vacancy 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 thus appointed in such vacancy shall hold office for the unexpired term of the member whose place he fills.

10. Vacancies etc. not to invalidate and proceedings of the board.

- No act or proceedings of the Board shall be invalid merely by reason of the existence of any vacancy amongst its members or of any defect in the constitution thereof.

11. Temporary associations of persons with board for particular purpose.

(1) The Board may associate with itself in such manner and for such purposes as may be determined by regulations made under this Act, any person whose advice or assistance it may desire in complying with any of the provisions of this Act. (2) A person associated with it by 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 and the Commission may depute one or 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.

12. Meeting of the board.

(1)The Board shall meet at such times and places and shall, subject to the provisions of sub-sections (2) to (4), observe such rules or 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 the Act :Provided that the Board shall meet atleast once in every two months.(2)The Chairman or in the absence, any member chosen by the members present from amongst themselves, shall preside over the meetings of the Board.(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 Chairman of the meeting shall have a second or a casting vote.(4)The proceedings of the meeting of the Board shall be forwarded to the Government and to Commission within fifteen days of every meeting.

13. Term of office and conditions of service of the Chairman and other members.

(1)Every member of the Board shall hold office for a term of five years :Provided that the Chairman shall notwithstanding the expiration of his term continue to hold office until his successor enters upon his office.(2)The terms and conditions of service of the Chairman, Executive Officer, Accounts Officer and other members shall be such as may be prescribed.

14. Appointment and condition of service of officers and ether employees of the Board.

(1)Subject to such rules as may be made by the Government in this behalf, the Board may, after creation of the post with the prior approval of the Government, appoint such other officers and employees as it considers necessary for the efficient performance of its function.(2)The service conditions of the officers and employees of the Board shall be governed by the State Government Service Rules as amended from time to time.(3)The Board shall be the appointing authority in respect of all the officers and the employees of the Board.

15. Standing finance committee.

(1)There shall be constituted from amongst the members of the Board excluding to Chairman, a Standing Finance Committee to exercise such powers and perform such functions relating to finance of the Board as may be delegated by the Board in the prescribed manner. The proceedings of the meeting of the Committee shall be forwarded to the Government within fifteen days of every meeting.(2)The Board may also delegate necessary financial powers to its officers for expeditious disposal of work subject to such conditions as it deems fit.

16. Appointment of other committee.

- Subject to any rules made in this behalf, the Board may, from time to time, appoint one or more committees for the purpose of efficient discharge of its functions shall be discharged according to the circumstances and requirements of khadi or any particular village industry. Such committees may be appointed for any specific area.

17. Power of the board to spend.

- Subject to the provisions of section 22 and subject to the condition that the expenditure is covered by the budget sanctioned by the Government, the Board shall have power to spend such sums as it thinks fit for the purpose authorised by this Act.

18. Functions of the board.

(1) Subject to the provisions of this Act, the functions of the Board shall generally be to plan, promote, organise and assist in the establishment and development of Khadi and Village Industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary. (2) In particular and without prejudice to the generality of the foregoing powers, the Board may take such other steps as it may think fit - (a) To plan and organise training of persons employed or desirous of seeking employment in khadi and village industries ; (b) To build up reserves of raw materials and implements and supply them to persons or institutions engaged or likely to be engaged in production of hand spun yarn or khadi and village industries ; (c) To encourage and assist in creation of common service facilities for the proceeding of raw materials or semi-finished goods and for otherwise facilitating production and marketing of khadi or produces of village industries ; (d) To promote the sale and marketing of khadi or products of village industries or handicrafts and for this purpose, forget links with established marketing agencies wherever necessary and feasible ; (e) To encourage and promote research in technology used in khadi and village industries including the use of non-conventional energy and electric power with a view to increasing productivity, eliminating drudgery and otherwise enhancing their competitive capacity and to arrange for dissemination of salient results obtained from such research ; (f) To undertake directly or through other agencies studies of the problems of khadi or village industries ; (g) To provide financial assistance to institutions, cooperatives, or persons, as the case may be, who are engaged in the development and operation of khadi or village industries and guide them through supply of designs, prototypes and other technical information for the purpose of producing goods and services for which there is effective demand in the opinion of the Board ; (h) To undertake experiments or pilot projects which in the opinion of the Board are necessary for the development of khadi and village industries ; (i) To promote and encourage cooperative efforts among the manufactures of khadi or persons engaged in village industries ; (j) To ensure genuineness and to set up standards to quality and ensure that products of khadi and village industries do conform to the said standards ; (k) To explore and undertake export activities ; (l) To establish and maintain separate organisation for the purpose of carrying out all or any of the above matters ; (m) To carry out any other matters incidental to the above.

19. Power of government to give directions.

- In the discharge of its functions under this Act, the Board shall be bound by such directions as may be given to it by the Government from time to time in conformity with the provisions of this Act.

20. Power of commission to give direction.

- Without prejudice to the provisions of section 19, the Board shall also be bound by such directions as may be given to it by the Commission from time to time in respect of implementation of programmes assigned and finances provided by the Commission.

Chapter - IV Preparation and Submission of Programme

21. Preparation and submission of Annual Programme and Establishment Schedule.

(1) In each financial year, the Board shall, at such time and in such form as may be prescribed, prepare and submit to the Government and the Commission - (a) Programme of its work; and (b) A schedule of the staff and officers already employed and to be employed. (2) The programme of its work shall contain - (a) Particulars of the schemes which the Board proposes to execute whether fully or in part and financed by the Government, the Commission and other Agencies; (b) particulars of any work of undertaking which the Board proposes to organise during the following year for the purpose of carrying out its functions under the Act and such other particulars as may be prescribed or may be required by the Government or the Commission.

22. Sanction of programme establishment schedule.

(1) The Government may, with the approval of the Commission, sanction the programme and schedule of staff or officers of the Board with such modification as it may deem fit. (2) The programme sanctioned by the Government shall be sent to the Commission.

23. Budget.

(1) The Board shall, in such form and at such time as may be prescribed, prepare each year a budget of its estimated receipts and expenditure on capital and revenue accounts according to the programme and schedule sanctioned by the Government under section 22 for the next financial year and shall submit the budget to the Government. (2) No sum shall be expended by or on behalf of the Board unless the expenditure is covered by specific provision in the budget sanctioned and approved by the Government and the Commission.

24. Sanction of budget.

(1) The Government may sanction the budget submitted to it with such modification as it deems fit. (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 approval of the Commission, and(b)In any other case, without the approval of the Government.

25. Supplementary programme and supplementary budget.

- The Board, may submit a supplementary programme and a supplementary budget for the sanction of the Government in such form and at such time as the Government may prescribed and the provisions of section 21 to 24 shall apply mutatis mutandis to such supplementary programme and budget.

26. Transfer of property.

- The Government may transfer to the Board buildings land or any other property, whether movable or immovable on such conditions as the Government may deem fit for the purpose of this Act.

27. Funds for the Board.

(1)The Board shall have two funds to be called as the development fund and general and miscellaneous fund.(2)All such sums received by the Board for the purposes relating to development of khadi and village industries shall be credited to the development fund and all other sums received by the Board shall be credited to the general and miscellaneous fund.(3)The sums credited under sub-section (2) -(a)To the development fund, shall be applied for the purposes relating to development of khadi and village industries ;(b)To the general and miscellaneous fund, shall be applied for the purposes of meeting the salary, allowances and other remuneration of the members, officers and other employees of the Board and other administrative expenses of the Board.(4)The Board may accept grants, subventions, donations and gifts and receive loans from Government or a local authority or any body or association whether incorporated or not, or an individual or all for any of the purposes of this Act.(5)All money belonging to the funds of the Board shall be deposited in any nationalised bank or banks or in a Government Treasury or be invested in such securities as may be approved by the Government from time to time.(6)The accounts of the Board shall be operated upon by such officers jointly or individually as may be authorised by the Board from time to time.

28. Reserve fund of the board.

(1)The Board shall establish a reserve fund to which shall be credited such funds as may be provided by Government for the purpose.(2)The management of the reserve fund, the sums to be credited from time to time, the credit thereof and application of the moneys comprised therein, shall be determined in such manner as may be prescribed.(3)The reserve fund shall be utilised for setting off irrecoverable loans and losses in direct trading activities.

29. Application of funds etc.

(1) All 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.

30. Subvention and loans to the board.

(1) The Government shall, from time to time, make subvention and grants to the Board for the purpose of this Act on such terms and conditions as the Government may determine in each case. (2) The establishment expenditure of the Board shall be the sole responsibility of the State Government. (3) The Board may, from time to time, with the previous sanction of the Government and subject to the provisions of this Act and such conditions as the Government may determine, borrow any sum required for the purpose of this Act, on the security of the funds or any other assets for any purpose for which such fund or assets may be applied. (4) The Government shall stand guarantee for securing loans, repayment of all the liabilities of the Board to the Khadi and Village Industries Commission or any other agencies.

31. Accounts and audit.

(1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the profit and loss account and the balance sheets in such form as may be prescribed. (2) The Board shall maintain a proper system for internal audit of its accounts. (3) The accounts of the Board shall be audited by the Accountant General of Sikkim or such persons as the Government may, in consultation with the Commission, appoint from time to time. (4) The accounts of the Board as certified by such Auditor under sub-section (3) together with the audit report thereon shall be forwarded annually to the Government and to the Commission at such time as the Government may specify in this behalf. (5) In addition to the audit provided in sub-section (3), the Commission shall also have the right to audit and inspect the accounts of the Board pertaining to the funds advanced by the Commission and the Board shall comply with such directions as the Commission may issue in this regard. (6) The persons discharging function under sub-section (3) and (s) shall in connection with such audit, have such rights, privileges and authority as may be prescribed and in particular such persons shall have the right to demand the production of books of accounts, connected vouchers and other documents and to inspect any of the officers of the Board.

32. Annual report.

(1) The Board shall prepare and forward to the Government and the Commission an annual report within three months from the end of the financial year giving a complete account of its activities during the previous financial year alongwith a copy of the annual statement of account together with the audit report thereon referred to in sub-section (4) of section 35 in such manner as may be prescribed. (2) The report and the annual statement of accounts together with the audit report received by the Government under sub-section (1) shall be laid before the State Legislature as soon

as may be after it is received by the Government.

33. Other reports statistics and returns.

- The Board shall at such time and in such manner, submit to the Government or the Commission its reports, statistics and returns is the Government or the Commission may direct from time to time. Chapter - VI Miscellaneous

34. Member officers and employees of the board to be public servants.

- Members, officer and employees of the Board shall be deemed when acting or purporting to act in pursuance of any of the provisions of this Act or under the rules or regulations made thereunder to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (45 of 1860).

35.

No suit, prosecution or other legal proceedings shall lie against any member, officer or employee of the Board for anything done in good faith or purported to be done under the Act or any rules or regulations made thereunder.

36. Validation.

(1) No act of the Board or any Committee or any officer done in good faith in pursuance of the functions of the Board shall be deemed to be invalid by reason only of some defect subsequently discovered either in the construction of the Board or in the constitution of any Committee or in the appointment or selection of an officer or on the ground that such officer was disqualified for his office. (2) No act done in good faith by any person appointed under this Act, rules and regulations shall be invalid merely by reason of the fact that his appointment has been cancelled by or in consequence of any other order passed subsequently under this Act or any rules and regulations made thereunder. (3) The Board shall decide whether any act was done in good faith in pursuance of the functions of the Board and the decision thereon shall be final.

37. Dissolution of board.

(1) The Government may, by notification, 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 and any committee constituted shall cease to function. (2) On and from the said date - (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 office as members of the Board ; and (c) All rights, obligations and liabilities including any liabilities under any contract of the Board shall become the rights, obligations and liabilities of the Government.

38. Supersession of the board.

(1)The Government may, by notification, supersede 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 supersession, be discharged, exercised and performed by such person or authority as may be specified in the said notification.(2)The Government shall before expiration of the period of supersession, reconstitute the Board in accordance with the provisions of section 3.(3)The Government may take such incidental and consequential provisions as may appear to be necessary for giving effect to the provisions of the section.(4)Any notification issued or order made by the Government under this section shall not be questioned in any court.

39. Recoveries of arrears.

- Any sum payable to the Board under any agreement, express or implied or otherwise, however, may be recovered without prejudice to any other remedy as on arrear of land revenue.

40. Power to write off losses.

(1)The Board may, after prior consultation with the Executive Officer of the Board, write off losses upto rupees five thousand (Rs. 5,000/-) in individual cases falling under any or all of the following categories, namely : -(a)Loss of irrecoverable value of stores or of public money due to theft, fraud or such other cause ;(b)Loss or irrecoverable advance other than loans ; and(c)Deficiency and depreciation in the value of stores.(2)The Board may, with the prior approval of the Government, write off irrecoverable loans and losses exceeding rupees five thousand (Rs. 5,000/-) in each individual case.(3)The Board shall take suitable action against the persons responsible for the loss and shall also send to the Government a detailed report together with the action taken against the persons, if any, responsible for the loss.

41. Power to make rules.

(1)The Government may, by notification, make rules for carrying out the purposes of the 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 manner of filling casual vacancies among the members of the Board and the terms and conditions of service of the Chairman, the Executive Officer, the Accounts Officer and other members of the Board including the salary and allowances to be paid to them and the travelling and daily allowances to be drawn by them when they are on tour ;(c)The procedure to be followed in removing a member who is or has become subject to any disqualification ;(d)The condition subject to which and the mode in which contracts may be entered into by or on behalf of the Board ;(e)The time within which and the form in which the budget and the supplementary budget shall be prepared and submitted in each year under sub-section (1) of section 23 and section 25 ;(f)The procedure to be followed and the condition to be observed in borrowing money under sub-section (3) of section 30 ;(g)The procedure to be followed for placing the Board in possession of funds.(3)In

regard to the following, the Government may, in prior consultation with the Commission, make rules by notification, to give effect to the provisions of this Act :-(a)The procedure to be followed and the condition to be observed in granting loans under section 30 ;(b)The form and manner in which the accounts of the Board shall be maintained under sub-section (1) of section 3 ;(c)The form and manner in which the returns, reports or the statements shall be submitted under sub-section (1) of section 32 and section 33 ;(d)constituting the Standing Finance Committee under sub-section (1) of section 15 ;(e)Any other matters which is to be or may be prescribed.

42. 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 it to perform its functions under this Act.(2)In particular and without prejudice to the generality of the foregoing powers, such regulations may provide for all or any of the following matters, namely :-(a)The time and place of meetings of the Board, 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 ;(b)functions of committees and the procedure to be followed by such committees in the discharge of their functions ;(c)The delegation of powers and duties to the Executive Officer or any other of the Board ;(d)The persons by whom and the manner in which payment, deposits and investment may be made on behalf of the Board ;(e)The custody of moneys required for the current expenditure of the Board and investment of moneys not so required.(3)The Board may, in consultation and with the previous sanction of the Government, by notification, make regulations to provide for the maintenance of the minutes of the meeting of the Board and the transmission of the copies thereof to the Government and the Commission.

43. Power to remove difficulties.

- If any difficulty arises in giving effect to the provisions of this Act, the State Government may take such steps or issue such orders not inconsistent with the provisions of the Act as may appear to it to be necessary or expedient for the purpose of removing such difficulty :Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

44. Repeal and saving.

(1)On and from the date of commencement of this Act, the provisions of the Sikkim Khadi and Village Industries Board Act, 1978 (11 of 1978) shall stand repealed.(2)Notwithstanding such repeal, anything done or any action taken under the Act so repealed shall be deemed to have been done or taken under the corresponding provisions of this Act.