

The M.P. Khadi Tatha Gramodyog Adhiniyam, 1978

MADHYA PRADESH

India

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Act 16 of 1978

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The M.P. Khadi Tatha Gramodyog Adhiniyam, 1978M.P. Act No. 16 of 1978Received the assent of the Governor on 28-5-1978, assent first published in the Madhya Pradesh Gazette (Extraordinary), dated 12-6-1978.An Act to provide for the proper organisation, development and regulation of [Khadi and Village Industries] [Substituted by M.P. Act No. 25 of 1979 (w.e.f. 22-6-1979).] in Madhya Pradesh.Be it enacted by the Madhya Pradesh Legislature in the Twenty-ninth Year of the Republic of India as follows :-

Chapter I Preliminary

1. Short title, extent and commencement.

(1)This Act may be called the Madhya Pradesh [Khadi Tatha Gramodyog] [Substituted by M.P. Act No. 25 of 1979 (w.e.f. 22-6-1979).] Adhiniyam, 1978.(2)It extends to the whole of Madhya Pradesh.(3)It shall come into force on such date as the State Government may, by notification, appoint.

2. Definitions.

- In this Act, unless the context otherwise requires-(1)"Board" means the Madhya Pradesh [Khadi and Gramodyog Board] [Substituted by M.P. Act No. 25 of 1979 (w.e.f. 22-6-1979).] established under Section 4;(2)"Commission" means the Khadi and Village Industries Commission established under the Khadi and Village Industries Commission Act, 1956 (No. 61 of 1956);(3)"Khadi" means any cloth woven on handlooms in India from cotton, silk or woollen yarn hand spun in India or from a mixture of any two or all of such yarn and is certified as such by the Commission or any other body established or recognised in its place by the Central or State Government;(4)"Member" includes Chairman [and Vice-Chairman] [Inserted by M.P. Act No. 28 of 1981 (w.e.f.

2-6-1981).];(5)"Regulations" means regulations made by the Board under this Act;(6)"Village industries" means all or any of the industries for the time being specified in the Schedule.

3. Power to add to Schedule.

- The State Government may, on its own motion or on the recommendation of the Board, declare, by notification, any other industry to be village industry to which this Act applies, and thereupon the industry so declared shall stand specified in the Schedule for the purpose of this Act.

Chapter II

Establishment and Constitution of the Board

4. Incorporation of Board.

(1)With effect from such date as the State Government may, by notification, appoint in this behalf there shall be established for the purposes of this Act, a Board by the name of the Madhya Pradesh [Khadi and Gramodyog Board] [Substituted by M.P. Act No. 25 of 1979 (w.e.f. 22-6-1979)].(2)The Board shall be a body corporate by the name aforesaid having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall by the said name sue or be sued.

5. Constitution of Board.

(1)The Board shall consist of the following namely :-(a)the Chairman to be appointed by the State Government;[(a-i) the Vice-Chairman to be appointed by the State Government;] [Inserted by M.P. Act No. 28 of 1981 (w.e.f. 2-6-1981).](b)two members to be appointed by the State Government to represent respectively :-(i)the Commerce and Industries Department, Government of Madhya Pradesh;(ii)the Finance Department, Government of Madhya Pradesh;(c)the Director representing the State on the Khadi and Village Industries Commission;(d)the Director of Handloom, Madhya Pradesh;(e)two members to be appointed by the State Government from amongst those who are President of Societies and Institutions relating to village industries in the State;(f)two members to be appointed by the State Government from amongst persons who, in the opinion of the State Government, are experts in the field of village industries.(2)The Managing Director shall be ex officio member of the Board.(3)The term of office of the members appointed by the State Government and the manner of filling vacancies and the procedure to be followed in the discharge of their functions by the members shall be such as may be prescribed.(4)No act or proceeding of the Board or any committee appointed by it under Section 8 shall be invalidated merely by reasons of-(a)any vacancy in, or any defect in the constitution of the Board or such committee; or(b)any defect in the appointment of a person acting as a member of the Board or such committee; or(c)any irregularity in the procedure of the Board or such committee not affecting the merits of the case.

6. Allowances to members of Board, etc.

- The members of the Board and the Committee may be paid such allowances for attending to the work of the Board and the committee, as the case may be, as may be provided by regulations.

7. Managing Director and Officers of the Board and other staff.

(1)The State Government shall appoint a Managing Director who shall exercise such powers and perform such duties as may be prescribed or as may be delegated to him by the Board.(2)The Managing Director shall be entitled to such salaries and allowances and such conditions of service in respect of leave, pension, provident fund and other matter as may, from time to time, be fixed by the State Government.(3)Subject to such control, restrictions and conditions as may be prescribed, the Board may appoint such other officers and employees as may be necessary for the efficient performance of its functions.(4)The Managing Director and other officers and employees of the Board shall not undertake any work unconnected with their duties under this Act except with the permission of the State Government.

8. Committees of the Board.

- The Board may appoint such committees consisting of such number of its members as it may deem fit for efficient discharge of its duties and performance of its functions under this Act.

9. Functions of Board.

(1)It shall be the duty of the Board to organise, develop and regulate village industries.(2)Without prejudice to the generality of the provisions of sub-section (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 village industries and to carry on trade or business in such industries and in the matters incidental to such trade or business;(b)to encourage establishment of co-operative societies for village industries;(c)to conduct training centres and to train people thereat or to arrange for such training at any other institution within or outside the State of Madhya Pradesh with a view to equipping them with the necessary knowledge for starting or carrying on village industry;(d)(i)to manufacture tools and implements required for carrying on village industries and to manufacture the products of such industries;(ii)to arrange for the supply of raw materials and tools and equipments required for the said purpose; and(iii)to sell and to arrange for the some of the products of the said industries;(e)to arrange for publicity and popularisation of finished products of village industries by opening stores, shops, emporia or exhibitions and to take suitable measures for the purpose;(f)to endeavour, to educate public opinion in favour of such industries and to impress upon the public the advantages of patronising products thereof;(g)to seek and obtain advice and guidance of experts in village industries;(h)to undertake surveys, collect statistics and to undertake all work incidental to the proper planning of village industries;(i)to participate in regional and all India meetings, conferences or exhibitions of village industries and to organise such meetings, conferences or exhibitions in the State;(j)to carry on such other activities as

are incidental and conducive to the objects of this Act; and(k)to discharge such other duties and to perform such other functions as may be prescribed or as the State Government may direct for the purpose of carrying out the objects of this Act.

10. General powers of Board.

- The Board shall, for the purpose of discharging the duties and performing the functions imposed and conferred upon it by or under this Act, have the following powers, namely :-(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 exceeding fifty thousand rupees in value, the aforesaid power shall be exercised with the previous sanction of the State Government except in the case of acquisition by gift or grant;(ii)to incur expenditure and to undertake programmes including works 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 State Government, subject to the provisions of this Act and the rules made thereunder.

11. Power to make contracts.

(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 Managing Director appointed under Section 7.(3)Every contract made 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 accordance with the provisions of this section and the rules made thereunder in this behalf shall not be binding on the Board.

12. Resignation by members and its acceptance.

(1)Any member appointed under clause (e) or clause (f) of sub-section (1) of Section 5 may, at any time resign his office by submitting his resignation signed and addressed to the Chairman of the Board.(2)No resignation submitted under sub-section (1) shall take effect until it is accepted by the Chairman.

12A. [District Committees. [Inserted by M.P. Act No. 25 of 1979 (w.e.f. 22-6-1979).]

(1)There shall be constituted a District Committee in each district consisting of such number of persons as may be prescribed.(2)Every district committee shall exercise such powers and perform such functions as may be entrusted to it by the Board.(3)Every district committee shall follow such procedure as the Board, by regulations, provide.]

Chapter III

Preparation and Submission of Programme

13. Preparation and submission of programme.

(1) In each year upto such date as may be fixed by the State Government, the Board shall prepare and submit to the State Government a programme of work for the ensuing financial year separately describing the features of the schemes and the amounts involved concerning routine administration, programmes proposed to be executed through bank, with the assistance of the money to be received from the State Government and the Commission. (2) The programme shall contain- (a) particulars of the scheme which the Board proposes to execute whether in part or whole during the next year; (b) particulars of any work or undertaking which the Board proposes to organise during the next year for the purpose of carrying out its functions under this Act, and (c) such other particulars as may be prescribed.

14. Sanction of programme.

- The State Government may approve the programme submitted by the Board subject to such modification as may be considered necessary.

Chapter IV

Finance, Accounts, Audit and Debts

15. Constitution of Fund of Board.

(1) The Board shall have and maintain its own fund, and all receipts of the Board shall be credited thereto and all payments by the Board shall be made therefrom. (2) The Board may accept subventions, donations and gifts from the Central or State Government or a local authority or any individual or body, whether incorporated or not, for all or any of the purposes of this Act. (3) The fund of the Board shall be applied by it for meeting all administrative expenses of the Board and for carrying out the purposes of this Act. (4) All moneys forming part of the fund of the Board shall be deposited in such manner as the State Government may, by a special or general order, direct. (5) The account shall be operated upon by such officer jointly or individually as may be authorised by the Board.

16. Application of fund.

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

17. Preparation of annual statement of income and expenditure.

(1)The Board shall by such date in each year as may be fixed by the State Government, prepare and submit to the State Government the budget for the next financial year showing the estimated receipts and expenditure.(2)The State Government may sanction the budget as submitted to it with or without modifications as it deems proper.(3)The Board after consultation of the State Government or financing banks or commission may re-appropriate such amounts as may be necessary for one scheme to another and within sub-heads or minor heads subject to the condition that the cost of any scheme as originally sanctioned shall not exceed by more than thirty-three and one-third per cent.(4)The Board may submit a supplementary budget for sanction of the State Government in such form and by such date as may be prescribed.

18. Annual Report.

(1)The Board shall prepare and forward to the State Government in such manner as may be prescribed 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.(2)The report received by the State Government under sub-section (1) shall be laid on the table of the Madhya Pradesh Legislative Assembly as soon as may be after it is received by the State Government.

19. Accounts and Audit.

(1)The Board shall cause to be maintained proper books of accounts and such other books as the rules may require and shall prepare in accordance with the rules an annual statement of account.(2)The Board shall cause its accounts to be audited annually by such person as the State Government may direct.(3)As soon as the accounts of the Board have been audited, the Board shall send a copy thereof together with a copy of the report of the auditor and the comments of the Board thereon to the State Government.(4)The Board shall comply with such directions as the State Government may think fit to issue after perusal of the report of the auditor and the comments of the Board thereof.

20. Other statements and returns.

- The Board shall also submit to the State Government such statistics, returns, particulars or statements at such time and in such form and manner as may be prescribed or as the State Government may, from time to time direct.

21. Transfer of property.

- The State Government may transfer to the Board buildings, land or any other property whether movable or immovable, for use and management by the Board on such conditions and subject to such limitations as the State Government may deem fit for the purposes of this Act.

Chapter V

Miscellaneous

22. Delegation of powers and functions of Board.

- Subject to such restrictions and conditions as may be prescribed, the Board may, by order in writing, delegate any of its powers and functions, except those under Section 29, to the [Chairman, Vice-Chairman, Managing Director or other officers of the Board or the District Committees constituted under Section 12-A.] [Substituted by M.P. Act No. 28 of 1981 (w.e.f. 2-6-1981).]

23. Appointment of Financial Advisor.

(1)The State Government shall appoint such person not being a member of the Board to be the Financial Advisor.(2)The terms and conditions of service of the Financial Advisor shall be such as may be prescribed.

24. Recovery of arrears.

- Any sum due to the Board under this Act which is not paid when it becomes due shall, on an application made in the form prescribed in this behalf by the Board, to the Collector be recovered by him according to law and under the rules for the time being in force for the recovery of arrears of land revenue.

25. Act not to apply to Scheduled Industries.

- Nothing in this Act shall apply to any industry declared to be a scheduled industry under the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951), or to affect any of the provisions of the said Act.

26. Officers and employees of Board to be Public Servants.

- Every Officer or employee of the Board shall, when acting or purporting to act in pursuance of the provisions of this Act or of any rule or regulation made thereunder, be deemed to be a public servant within the meaning of Section 21 of the Indian Penal Code (No. 45 of 1860).

27. Protection of action taken under the Act.

- No suit, prosecution or other legal proceeding shall lie against the Board or any member, officer or other employee of the Board or Committee for anything which is in good faith done or intended to be done in pursuance of this Act or of any rule or regulation made thereunder.

28. Power of State Government to make rules.

(1)The State Government may, by notification, make rules for carrying out 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 term of office of members appointed by the State Government, the manner of filling vacancies and the procedure to be followed in the discharge of function by members;(b)the powers which may be exercised and the duties which shall be performed by the Managing Director;(c)the duties which may be exercised and the duties which shall be performed by the Board;(d)the circumstances in which and the authority by which a member may be removed;(e)the holding of a minimum number of meetings of the Board every year;(f)the procedure to be followed at the meetings of the Board for the conduct of business and the number of members which shall form a quorum at a meeting;(g)the maintenance by the Board of records of business transacted by the Board and the submission of copies thereof to the State Government;(h)the powers of the Board, [its Chairman and Vice-Chairman] [Substituted by M.P. Act No. 28 of 1981 (w.e.f. 2-6-1981).] and committees of the Board with respect to the incurring of expenditure;(i)the manner and form in which contract shall be entered into;(ii)[the number of member of District Committee;] [Inserted by M.P. Act No. 25 of 1981 (w.e.f. 22-6-1979).](j)the particulars which a programme of work shall contain;(k)the form in which and the date by which the supplementary budget shall be submitted by the Board to the State Government;(l)the manner in which annual report shall be prepared and forwarded to the State Government;(m)the books of accounts which shall be maintained by the Board;(n)the manner in which annual statement of accounts shall be prepared;(o)the form and manner in which and the time by which statistics returns, particulars or statements shall be submitted;(p)restrictions and conditions subject to which the Board may delegate its powers and functions to the [Chairman, Vice-Chairman, Managing Director] [Substituted by M.P. Act No. 28 of 1981 (w.e.f. 2-6-1981).] or officers of the Board;(q)the term and conditions of service of Financial Advisor;(r)the form in which application for recovery of arrears shall be made to the Collector;(s)any other matter which has to be, or may be prescribed by or provided for by rules under this Act.(3)All rules made under this Act shall be laid on the table of the Legislative Assembly.

29. Power to make regulations.

(1)The Board may make regulations not inconsistent with this Act and the rules made thereunder for enabling it to discharge its functions under this Act.(2)Without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely :- (a)the procedure to be followed at meetings of the Committees appointed by the Board and the number of members which shall form a quorum at a meeting;(b)the allowance to be paid to the members of the Board and the Committee for attending the work of the Board or Committee;(c)the pay and allowances and leave and other conditions of service of officers (other than those appointed by the State Government) and other employees of the Board;(d)the maintenance of the accounts of the Board;(e)the maintenance of the registers and other records of the Board and its various committees;(f)the persons by whom, and the manner in which, payments, deposits and investments may be made on behalf of the Board.(3)No regulation made by the Board shall have effect until it has been approved by the State Government and published in the Gazette, and the State

Government, in approving a regulation may make any change therein which appears to it to be necessary.(4)The State Government may, by notification, cancel any regulation which it has approved and, thereupon, the regulation shall cease to have effect.

29A. [Dissolution of Board. [Inserted by M.P. Act No. 25 of 1979 (w.e.f. 22-6-1979).]

(1)The State Government if it considers it expedient or necessary so to do in the public interest may, by notification, direct that the Board shall be dissolved from such date as may be specified in the notification and thereupon the Board shall be deemed to be dissolved accordingly.(2)On and from the said date-(a)all properties, funds and the dues which are vested in or realizable by the Board shall vest in and be realised by the State Government;(b)all rights, obligations and liabilities (including any liabilities under any contract) of the Board shall become the rights, obligations and liabilities of the State Government;(c)all members shall vacate their offices as members of the Board.]

30. Repeal and savings.

- As from the date appointed under sub-section (1) of Section 4, the following consequences shall ensue, namely(a)the Madhya Pradesh Khadi and Village Industries Act, 1959 (No. 2 of 1960), shall stand repealed;(b)the Madhya Pradesh Khadi and Village Industries Board constituted under the repealed Act shall stand dissolved;(c)all assets and liabilities of the Board referred to in clause (a) shall belong to and be deemed to be the assets and liabilities of the Board constituted under Section 4.(d)all employees belonging to and under the control of the Board referred to in clause (a) shall be deemed to be the employees of the Board established under Section 4;(e)all records and papers belonging to the Board referred to in clause (a) shall vest in and be transferred to the Board established under Section 4;(f)the provisions of Sections 10 and 25 of the Madhya Pradesh General Clauses Act, 1957 (No. 3 of 1958), shall apply to repeal under clause (a) in respect matters not provided herein.

Schedule

[See Section 2 (5)]

1. Khadi (Cotton, Woollen and Silk).

2. Paddy, pulses and processing units.

3. Village Oil Industry.

- 4. Leather Industry.**
- 5. Hand-made Matches.**
- 6. Gur Khandsari.**
- 7. Tad Gur and Tar Beverages.**
- 8. Non-edible Oil and Soap Industry.**
- 9. Hand-made paper.**
- 10. Pottery.**
- 11. Fiber Industry.**
- 12. Blacksmithy and Carpentry.**
- 13. Honey and Bee-keeping.**
- 14. Lime.**
- 15. Gobar Gas.**
- 16. Fruit preservation and canning.**
- 17. Bamboo and cane.**
- 18. Aluminium and Household utensils.**
- 19. Integrated development programme.**
- 20. Lac Industry.**
- 21. Katha Industry.**
- 22. Forest produce and collection of herbs.**

Notifications[Notification No. 4408-XI-90-A, dated 17th May, 1990.] [Published in M.P. Rajpatra, Part I, dated 8-6-1990 at pp. 1662-63.] - In exercise of the powers conferred by Section 8 of the

Madhya Pradesh Khadi Tatha Gramodyog Adhiniyam, 1978 (No. 16 of 1978), the State Government on the recommendation of the Madhya Pradesh Khadi and Village Industries Board hereby declares the following industries to be the Village Industries to which the said Act, applies :-

- 1. Stone cutting, Crushing, Carving and Engraving for temples and buildings.**
- 2. Utility articles.**
- 3. State and State Pencil Making.**
- 4. Manufacture of Plaster of Paris.**
- 5. Utensil Washing Powder.**
- 6. Fuel briquetting.**
- 7. Jewellery out of Gold, Silver, Stone, Shell and Synthetic materials.**
- 8. Manufacture of Gulal Rangoli.**
- 9. Manufacture of Bangles.**
- 10. Manufacture of Paints, Pigments, Varnishes and Distemper.**
- 11. Manufacture of gums and resin.**
- 12. Processing of maize and ragi.**
- 13. Manufacture of Paper Cups, Plates, Bags and other Paper containers.**
- 14. Manufacture of Exercise Books, Binding, Envelope making, Register including all other Stationery items made out of paper.**
- 15. Khus tattis and Broom making.**
- 16. Collection, processing and Packing of Forest products.**
- 17. Photo Framing.**

- 18. Manufacture of Jute Products (under Fiber Industry).**
- 19. Pithwork-Manufacture of Pith Mats and Garlands etc.**
- 20. Cashew Processing**
- 21. Leaf Cup Making.**
- 22. Manufacture of rubber goods, and dipped latex products.**
- 23. Products out of Rexins, PVC etc.**
- 24. Horn and Bone including Ivory products.**
- 25. Candle, Camphor and Sealing wax making.**
- 26. Manufacture of Packaging items of Plastics.**
- 27. Manufacture of Bindi.**
- 28. Manufacture of Mehendi.**
- 29. Manufacture of Essential Oils.**
- 30. Manufacture of Shampoos.**
- 31. Manufacture of Hair-Oils.**
- 32. Detergents and Washing Powder Making (Non-toxic).**
- 33. Manufacture of Paper Pins, Clips, Safety Pins, Stove Pins, etc.**
- 34. Umbrella Assembling.**
- 35. Solar and Wind Energy implements.**
- 36. Manufacture of handmade utensils out of Brass.**

- 37. Manufacture of handmade utensils out of Copper.**
- 38. Manufacture of handmade utensils out of Bell Metal.**
- 39. Other articles made out of Brass, Copper and Bell Metal.**
- 40. Production of Radios.**
- 41. Manufacture of decorative bulbs, bottles, glasses etc.**
- 42. Production of Cassette Player whether or not fitted with Radio.**
- 43. Production of Cassette Recorder whether or not fitted with radio.**
- 44. Production of Voltage Stabilizer.**
- 45. Carved Wood and Artistic Furniture making.**
- 46. Tin Smithy.**
- 47. Motor Winding.**
- 48. Wire Net Making.**
- 49. Iron Grills Making.**
- 50. Manufacture of Rural Transport-Vehicle such as : Handy Carts, Bullock Carts, Small Boats, Assembly of Bicycles, Cycle Ricksha, Motorzied Carts, etc.**
- 51. Manufacture of Musical Instruments.**
- 52. Manufacture of Lokvastra.**
- 53. Manufacture of Polyvastra.**
- 54. Hosiery.**

- 55. Tailoring and Preparation of Ready-made Garments.**
- 56. Fishing nets out of Nylon/Cotton by hand.**
- 57. Batik work.**
- 58. Toys and Doll Making.**
- 59. Thread Bolls and Woollen Balling Lacohe Making.**
- 60. Embroidery.**
- 61. Manufacture of Surgical Bandages.**
- 62. Stove Wicks.**
- 63. Laundry.**
- 64. Barber.**
- 65. Plumbing.**
- 66. Servicing of Electrical Wiring and Electronic domestic appliances and equipments.**
- 67. Repairs of diesel engines, pump sets, etc.**
- 68. Watch Production.**
- 69. Tyre Vulcanizing Unit.**
- 70. Agriculture Servicing for Sprayers, insecticide, pump sets, etc.**
- 71. Hiring of sound systems like loud speaker, amplifier, mike, etc.**
- 72. Battery charging.**

73. Art Board Painting.

74. Cycle repair shops.

75. Masonry.