

# **The Gujarat Scheduled Castes Development Corporation Act, 1985**

GUJARAT

India

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### **Act 10 of 1985**

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The Gujarat Scheduled Castes Development Corporation Act, 1985 Gujarat Act No. 10 of 1985 [Dated 12th July, 1985] For the Statement of Objects and Reasons See Gujarat Government Gazette, Extraordinary, Part V, dated 21st March, 1985, pages 6-12 to 6-13. This Act was assented to by the Governor on the 10th July, 1985. An Act to provide for the establishment of a Corporation for the advancement of Scheduled Castes in the State of Gujarat and for matters connected therewith. It is hereby enacted in the Thirty-sixth Year of the Republic of India as follows:-

## **Chapter I Preliminary**

### **1. Short title, extent and commencement.**

(1) This Act may be called the Gujarat Scheduled Castes Development Corporation Act, 1985. (2) It extends to the whole of the State of Gujarat. (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) "agriculture" includes dairy farming, poultry farming, breeding of livestock, pisciculture, sericulture and forestry; and the term "agricultural" shall be construed accordingly; (b) "Chairman" means the Chairman of the Corporation; (c) "Corporation" means the Gujarat Scheduled Castes Development Corporation established under section 3; (d) [ "director" means a director of the Corporation and includes the Chairman and Vice-Chairman; ] [Clause (d) was substituted by Gujarat 21 of 1986, Section 3(1) (a)]

(w.r.e.f. 02-07-1986).](e)"managing director" means a director appointed as managing director under sub-section (3) of section 5;(f)"marketing" means all activities relating to the transport, grading, pooling, marketing and sale of agricultural or industrial produce, whether in the primary form or in semi-processed or processed form;(g)"prescribed" means prescribed by rules made under this Act;(h)"processing" means all activities relating to the processing of agricultural produce or industrial produce so as to make it marketable or fit for consumption and it includes purchase and storage of raw material, purchase of equipment, and purchase, installation and running of machinery required for processing and storage of finished produce;(i)"regulation" means a regulation under section 27;(j)"Scheduled Castes" means such castes or communities or parts of, or groups within, such castes or communities as are deemed to be Scheduled Castes in relation to the State of Gujarat under article 341 of the Constitution of India;(k)"society" means a society registered under the Societies Registration Act, 1860 (XXI of 1860), or a co-operative society registered under the Gujarat Co-operative Societies Act, 1961 (IX of 1932).(l)"Scheduled Castes Organisation" means a firm registered under the Indian Partnership Act, 1932, or a society, wherein all or a majority of the partners or, as the case may be, all or a majority of members whereof belong to Scheduled Castes.Explanation. - Where a society (hereinafter referred to as "the principal society") has as its member another society (hereinafter referred to as the "member society") all or a majority of members of which belong to Scheduled Castes, such member society shall be deemed to be a member of the principal society belonging to Scheduled Castes;(m)"small-scale industry" means cottage industry or an industry in which capital investment does not exceed such amount as may be prescribed;(n)"supply and storage" means supply and storage of agricultural or industrial inputs and establishment, maintenance and running of storages, cold storages and warehouses;(o)[ "Vice-Chairman" means the Vice-Chairman of the Corporation.] [Clause (o) was added by Gujarat 21 of 1986, Section 3(1) (b) (w.r.e.f. 02-07-1986).]

## **Chapter II**

### **Establishment and Constitution of the Corporation**

#### **3. Establishment and Incorporation of the Corporation.**

(1)For the purpose of securing the uplift of Scheduled Castes in the State of Gujarat, the State Government may, by notification in the Official Gazette, establish a Corporation by the name of the Gujarat Scheduled Castes Development Corporation with effect from such date as may be specified in the notification.(2)The Corporation shall be a body corporate, with a perpetual succession and common seal and may sue and be sued in its corporate name and shall be competent to acquire, hold and dispose of property, both movable and immovable, and to contract and do all things necessary for the purposes of this Act.

#### **4. Headquarters of the Corporation.**

- The headquarters of the State Corporation shall be at Gandhinagar or at such other place as the State Government may, by notification in the Official Gazette, specify.

## **5. Constitution of Corporation.**

(1)The Corporation shall consist of not more than fifteen directors who shall be nominated by the State Government:Provided that not less than three directors shall be official and the remaining directors shall be non-official who shall be nominated from amongst persons who, in the opinion of the State Government, have special knowledge or Practical experience in matters relating to agriculture, agro-industries, water development projects, finance, cooperation and socio-economic problems of the Scheduled Castes:Provided further that not less than six non-official directors shall belong to the Scheduled Castes.[Provided also that the State Government shall nominate at least one woman as nonofficial member.] [Proviso added by Gujarat 28 of 2003, dated 17th September 2003 (w.e.f. 09-09-2004).](2)[ The State Government shall appoint one of the directors as Chairman and one of the other directors as Vice-Chairman.] [Sub-section (2) was substituted by Gujarat 21 of 1986, Section 3 (2) (w.r.e.f. 02-07-1986).](3)the State Government shall appoint one of the official directors to be the managing director of the Corporation.

## **6. Term of office and conditions of appointment of director.**

- [(1) The director shall hold office during the pleasure of the State Government.] [Sub-section (1) was and was deemed always to have been substituted for sub-sections (1) and (2) by Gujarat 1 of 1999, Section 3 Schedule, sr. No. 16(1).](2)Subject to the provisions of this Act, the terms and conditions of the appointments of the directors other than the managing director and the fees and allowances payable to them shall be such as may be prescribed.

## **7. Filling up casual vacancies.**

- On the occurrence of any vacancy in the office of a director due to death, resignation or any other reason, the same shall be filled up by the State Government in the manner provided in section 5 [\* \* \*] [The words 'and a person nominated as director to fill such vacancy shall hold office for the unexpired portion of the term of his predecessor' were and were deemed always to have been deleted, by Gujarat 1 of 1999, Section 3, Schedule Sr. No. 16 (2).].

## **8. Disqualifications for office of director.**

- A person shall be disqualified for being nominated as, and for being, a director, if he-(a)is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has been compounded with his creditors; or(b)is of unsound mind and stands so declared by a competent court; or(c)is or has been, convicted of any offence which, in the opinion of the State Government, involves moral turpitude or convicted under the Protection of Civil Rights Act, 1955 (XXII of 1955), or(d)is, or has been, removed or dismissed from the service of any State Government or the Central Government or a Corporation owned or controlled by any State Government or the Central Government.

## **9. Director not to participate in certain cases.**

- A director who has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Corporation shall, as soon as possible, after the relevant circumstances have come to his knowledge, disclose nature of his interest at such meeting and the disclosure shall be recorded in the minutes of the Corporation and the director shall not take any part in any deliberation or decision of the Corporation with respect to that matter.

## **10. Removal and resignation of director.**

(1)[The State Government] [These words were substituted for the words 'Notwithstanding anything contained in section 6, the State Government' by Gujarat 1 of 1999, section 3, Schedule Sr. No. 16 (3).] may, at any time, remove any director from office, if, in its opinion, such a director-(a)is, or has become, subject to any disqualification mentioned in section 8;(b)is absent without leave of the Corporation from more than three consecutive meetings thereof without cause sufficient, in the opinion of the Corporation, to exonerate his absence;(c)has acted in contravention of the provisions of section 9; or(d)has been guilty of misconduct in the discharge of his duties.Provided that no order of removal shall be passed without giving the director a reasonable opportunity of showing cause against the proposed order.(2)A Director may resign his office by giving notice thereof in writing to the State Government and on such resignation being accepted he shall be deemed to have vacated his office.

## **11. Managing Director.**

(1)The managing director shall be a whole time officer of the Corporation and shall-(a)be the Chief Executive Officer of the Corporation,(b)be responsible for the operational management of the Corporation and implementation of the general policy approved by the Corporation,(c)perform such duties as the Corporation may, by regulations or otherwise, assign to him,(d)receive such salary and allowances and be governed by such terms and conditions of service as may be approved by the State Government in consultation with the Corporation.(2)If the managing director is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his appointment, the State Government may appoint another person to act in his place during his absence.

## **12. Officers and other employees Corporation.**

(1)The Corporation may appoint such officers and other employees as it considers necessary for the efficient performance of its functions and determine, by regulations or otherwise, their conditions and service and the remuneration payable to them.(2)The Corporation may, by general or special order, delegate to the managing director or to any other officer or employee of the Corporation, subject to such conditions and limitations, if any, as may be specified, such of its powers and duties under this Act, except the power to make regulations, as it may deem necessary.

### **13. Meetings of Corporation.**

(1)The Corporation shall meet at such time and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at such meetings) as may be provided by regulations.(2)[ The Chairman or, if for any reason he is unable to attend any meeting, the Vice-Chairman or, if for any reason he is also unable to attend any meeting, any other director elected by the directors present at the meeting, shall preside at the meeting of the Corporation.] [Sub-section (2) was substituted for the original by Gujarat 21 of 1986, Section 3 (3) (a) (w.r.e.f. 02-07-1986).](3)All the questions which come up before any meeting of the Corporation shall be decided by a majority of the votes of directors present and voting, and in the event of an equality of votes, [the Chairman, or, in his absence, the Vice-Chairman or in his absence of both the Chairman and Vice-Chairman,] [These words were substituted for the words 'the Chairman or, in his absence', by Gujarat 21 of 1986, Section 3(3) (b).] the person presiding, shall have and exercise a second or casting vote.

### **14. Acts and proceedings presumed to be valid notwithstanding any defect.**

(1)No act or proceeding of the Corporation shall be questioned or be invalid on the ground merely of the existence of any vacancy in, or any defect in, the constitution of the Corporation.(2)No act done by any person acting in good faith as a director shall be deemed to be invalid merely on the ground that he was disqualified to be director or that there was any other defect in his nomination.

### **15. No disqualification in certain cases.**

- No person shall be disqualified for being, chosen as, or for being, a member of the Legislative Assembly of the State by reason only of the fact that he is a Chairman or a director.

## **Chapter III**

## **Functions and Powers of the Corporation**

### **16. Functions and powers of Corporation.**

(1)Subject to the provisions of this Act, it shall be the primary duty of the Corporation to undertake the task of social and economical uplift of the Scheduled Castes in the State of Gujarat, and the Corporation shall be competent to do all things and to exercise all the powers necessary for the performance of such duties.(2)Without prejudice to the generality of the foregoing provision, such power of the Corporation shall include the power-(i)to plan and promote, on its own or in collaboration with or through such Scheduled Castes organisations or other agencies as may be approved by the Corporation, any programme of agricultural development, marketing, processing, supply and storage of agricultural produce, small-scale industry, building construction, transport and such other activities as may be approved in this behalf by the State Government;(ii)to undertake, on its own or in collaboration whether through such Scheduled Castes Organisations or

other agencies as may be approved by the Corporation, any activity in relation to any of the matters specified in clause (i), for furthering the objects of the Corporation;(iii)to give on hire agricultural or industrial machinery or equipments to the members of the Scheduled Castes Organisations;(iv)to give grants and subsidies and to guarantee loans taken by the members of Scheduled Castes Organisations;(v)to encourage employment opportunities for the member of the Scheduled Castes;(vi)to undertake any other activity which the State Government may entrust to the Corporation;(vii)to grant loans or obtain covered loans to members of the Scheduled Castes;(viii)to borrow money subject to such conditions as the State Government may specify;(ix)to issue bonds and debentures;(x)to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundis, bills, warrants, debentures and other negotiable instruments;(xi)to invest or deposit surplus funds of the Corporation in Government securities or in such other manner as the State Government may, by general or special order, direct; and(xii)to discharge such other functions as may be prescribed or as are supplemental, incidental or consequential to any of the functions conferred on it by or under this Act.

## **Chapter IV**

### **Finance, Accounts and Audit**

#### **17. State Government to provide initial capital.**

(1)The State Government may provide to the Corporation such sum not exceeding [fifty crores of rupees] [These words were substituted for the words 'ten crores of rupees' by Gujarat 1 of 2001, section 3 (w.r.e.f. 26-12-2000).] as the State Government may think fit as capital that may be required by the Corporation for the purpose of carrying out its functions:Provided that where the capital initially provided is less than [fifty crores of rupees] the State Government may, from time to time, increase the capital to sum not exceeding [fifty crores of rupees.] [These words were substituted for the words 'ten crores of rupees' by Gujarat 1 of 2001, section 3 (w.r.e.f. 26-12-2000).](2)Such capital may be provided subject to such terms and conditions as may be determined by the State Government.(3)The capital so provided shall form part of the fund of the Corporation.

#### **18. Fund of Corporation.**

(1)The Corporation shall have its own fund.(2)The Corporation may accept grants, subventions, donations and gifts from the Central Government and other receipts of the Corporation shall be carried to the fund of the Corporation and all payments by the Corporation shall be made thereon.(3)All sums which may from time to time be paid to it by the State Government and all other receipts of the Corporations and all payments by the Corporation shall be made thereon.](4)The Corporation may spend such sums as it thinks fit for the performance of its functions under this Act, and such sums shall be treated as expenditure payable out the fund of the Corporation.(5)All moneys belonging to the fund of the Corporation shall be deposited in such bank or invested in such Government Securities or in such other manner as the State Government may, by general or special order, direct.

## **19. Accounts.**

(1)The balance sheet and accounts of the Corporation shall be prepared and maintained in such form and manner as prescribed.(2)The Corporation shall cause books of accounts of the Corporation to be balanced and closed on the thirty first day of March every year.

## **20. Audit.**

(1)The accounts of the Corporation shall be audited once in every financial year, by auditors, duly qualified to act as auditors under sub-section (1) of section 226 of the Companies Act, 1956 (I of 1956), who shall be appointed by the Corporation and shall receive such remuneration from the Corporation as the Corporation may fix.(2)The auditors shall be supplied with a copy of the annual balance sheet and income and expenditure account of the Corporation and it shall be the duty of the auditors to examine them together with the accounts and vouchers relating thereto and they shall have a list delivered to them of all books kept by the Corporation and shall at all reasonable times have access to the books, accounts and other documents of the Corporation and may require from any director or officer of the Corporation such information as they may think necessary for the performance of their duties as auditors.(3)The auditors shall make a report to the Corporation upon the annual balance sheet and accounts examined by them and in every such report shall state whether in their opinion, the balance sheet is a full and fair balance sheet containing necessary particulars and properly drawn up so as to exhibit a true and fair view of the state of affairs of the Corporation.(4)The Corporation shall furnish to the State Government a copy of its balance sheet and accounts together with a copy of the report made by auditors under sub-section (3) and a report on the working of the Corporation during the relevant period, within four months from the date on which its accounts are closed and balanced.(5)Copies of the reports referred to in sub-section (4) shall be laid by the State Government, as soon as may be, before the State Legislature.

## **Chapter V**

### **Miscellaneous**

## **21. Advisory Committee.**

(1)The State Government may from time to time constitute an Advisory Committee consisting of such number of persons as it may think fit and on such terms and conditions as may be prescribed.(2)The Corporation may, if it thinks fit, consult the Advisory Committee on any business coming before it and shall do so in respect of such business as the State Government may, by general or special order in this behalf, specify or when required by the regulations so to do.(3)The Advisory Committee shall meet at such intervals as may be prescribed, and for the transaction of urgent business on such other occasions as the Chairman of the Corporation may require.(4)The number of members necessary to constitute a quorum at a meeting of the Advisory Committee shall be such as the State Government may when constituting the Committee specify.

## **22. Recovery of money due to Corporation.**

(1)Where an amount is due to the Corporation from any person in respect of advance or other financial accommodation granted by it, such amount shall, on a certificate being granted by the managing director in the prescribed form, be recoverable as arrears of land revenue by the Collector of the district in which the person from whom the amount is due resides or carries on business or owns any property.(2)Before issuing the certificate referred to in sub-section (1), the managing director shall make an application to such officer, as may be empowered by the State Government in this behalf and that officer shall, after giving an opportunity of being heard to the person concerned and after such further inquiry as he may consider necessary, by an order determine the amount due to the Corporation and communicate the same to the managing director.(3)An appeal against an order passed by the officer empowered under sub-section (2) shall lie within such period and to such authority as may be prescribed.(4)The officer empowered under sub-section (2) and the appellate authority shall follow such procedure as may be prescribed.(5)The certificate issued by the managing director under sub-section (1) shall be final and conclusive and shall not be called in question before any authority or court.(6)For the purpose of recovering any amount due to the Corporation in respect of a loan it shall not be necessary to proceed against the principal before proceeding against his surety. 9

## **23. Dissolution.**

(1)No provision of law, other than this Act, relating to the winding up, dissolution or liquidation of the companies or corporations shall apply to the Corporation.(2)The State Government may, if the Corporation fails to carry out its functions or exceeds its powers, or upon a receipt of a report under section 20, call upon the Corporation to show cause why it should not be dissolved and if no explanation is offered within the specified period or if the State Government is not satisfied with the explanation, the State Government may dissolve the Corporation from such date as may be specified.

## **24. Consequence of dissolution of Corporation.**

(1)When the Corporation is dissolved under section 23,-(i)all directors shall, from the date of dissolution, vacate their offices,(ii)all powers and duties of the Corporation shall, during the period of dissolution, be exercised and performed by such person as the State Government may appoint in this behalf,(iii)all funds and other property vested in the Corporation shall, during the period of dissolution, vest in the State Government.(2)The State Government may reconstitute the Corporation after such period as it may think fit.

## **25. Protection of action taken in good faith.**

- No suit or other legal proceeding shall lie against the Corporation or any director including the managing director, or any other officer or other employee or any other person authorised by the Corporation to discharge any function under this Act, for any loss or damage caused or likely to be



caused by anything which is in good faith done or intended to be done by him in pursuance of this Act.

## **26. Indemnity to directors.**

(1) Every director shall be indemnified against all losses and expenses incurred by him in the discharge of his duties except such as are caused by his own wilful act or default. (2) A director shall not be responsible for the acts of any other director or for the acts of any officer or other employee of the Corporation or for any loss or expenses resulting to the Corporation by the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Corporation in good faith, or by the insolvency or wrongful act of any debtor or any person under obligation to the Corporation or anything done in good faith, in the execution of the duties of his office or in relation thereto.

## **27. Power of Corporation to make regulations.**

(1) The Corporation may make regulations not inconsistent with the provisions of this Act and the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act. (2) In particular and without prejudice to the generality of the foregoing power, such regulation, may provide for all or any of the following matters, namely:-(a) the time and places of meetings of the Corporation and the procedure to be followed in relation to such meetings including the quorum necessary for the transaction of business; (b) duties which the managing director shall perform; (c) the duties, conduct, salaries, allowances and conditions of service of officers and other employees of the Corporation; (d) the delegation of powers and functions to the officers and other employees of the Corporation; (e) the establishment and maintenance of provident and other benefit funds for the officers and employees of the Corporation; (f) any other matter which is, or may be, necessary for the efficient conduct of affairs of the Corporation.

## **28. Power of State Government to make rules.**

(1) The State Government may, by notification published in the Official Gazette, make rules to carry 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 terms and conditions of service of the directors and the fees and allowances payable to them; (b) functions, in addition to those specified in sub-section (2) of section 16, to be discharged by the Corporation and the conditions and restrictions subject to which those functions shall be discharged; (c) the form and manner in which accounts shall be maintained and the balance sheet and income and expenditure accounts shall be prepared; (d) the form in which certificate shall be issued by the managing director, the period within which and the authority before whom an appeal shall be filed, and the procedure to be followed by the appellate authority under section 22; (e) any other matter which is required to be, or may be, prescribed. (3) All rules made under this section shall be laid for not less than thirty days before the State Legislature as soon as may be after they are made and shall be subject to rescission by the State Legislature or to such modifications as the State

Legislature may make during the session in which they are so laid or the session immediately following. (4) Any rescission or modification so made by the State Legislature shall be published in the Official Gazette, and shall thereupon, take effect.