

BIHAR KHADI & VILLAGE INDUSTRIES ACT 1956

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THE SCHEDULE. (ACIS I TIJE BIHAR KHADI VILLAGE I AN ACT TO PROVIDE FOR
ORGANISING, DEVELOPING KHADI AND VILLAGE IN THE STATE OF •TO e CONSTITUTE
A GARRY OUT THE SAID BE it enacted by the legislature o . he State of Bihar in the Seventh Year of
the •public of India as follows (b) (c) under Khadi and Villav,c Industries 1916 •of 9561. h woven 100lis
in silk Or woollen India, Of from a Illixure yarn handspun of any or or such yarns; by rules ' Prescribed"
made underali+s Ac't, and 'iVillft's't: me•ans any Of the indus— Schedule LO this Act, tries specified ia
and shall such other industry as the State may, by notification in the specify this behalf in consultaion
witli the Poard. ESTABLISHMENT, CONSTITUTION AND or BOARD 3. Establishmtiilf. of the 2.
Chapter—I. PRELIMINARY Short title, extent and commencement (1) This Act may be called the Biho
Khadi and Village Indnsirics Act, 11%6. (2) It extends to the whole of (he State of Bihar. (3) It shall Come
inco force on such date, as the State Goveratnegt may, by notifi- cation in the Official Gazette, appoint,
this Act, unless yhere is anything repugnant iu the sul'iect or eon text — (a) the Bihat Khadi and Village
Industries Board establif'ied under section (aa) "Commission" —means the khadi Village Indusuies
Cotnmissidf) I j] For Stalemc:it of see the Gihar Gazet.le, Extraordinary. of 22nd April, 1955', for Repore
of the Joint Select Committee, See the Bihar Gazette: Extraordinary, t 2nd September, 1955. soon as may
be ancr the into force of this •Act. there established, fonhe pur- pose of this by the State Government a ,
Bihar State Board IO bc Village Uoard. (2) The a body.orporate and Shail hav: succession and a sli:iiil by
the said name sue common seal and bc 4 terna of sit:dl consist Of not less. office than more live rugruber:
appointed by th(€ State. one them by State (Fovcrn. tnc•n' to the thereof (2) The State Government
consultation 4 •with the Board, may appoint may or may not be a member of Board 'be the Scretaryufhe
Board. (2a) The State Govvrnment shall person. not being a member of Lhe Boardao be the Financial
Adviser and Chief Accounts Officer to the Board', (2aay The State Government shiM, on the
recommendation of the Board, - appoint an Officer of the State Government to he the Executive Officer
She—Board. e Board shall have power to for the discussion of any particular be- fore it, any officer of the
State Government or expertsspeciali! qualified to advise or, the ter or having special knowledge of local
conditions in any area wherß the industry in yuction is situated; Provided that any member so co.opped

shall not be entitled to vote. (4) The term of Office of the President and other members of the Board shall be years from the date of publication of the names in the Official gazette and shall include any further period which may elapse between the expiration of the said period of three years and the date of publication in the official gazette. (5) The President and other members shall be eligible for re-appointment. (6) The non-official members of the Board shall be paid such allowances from the funds of the Board as may be prescribed. (7) The term of office and the conditions of service of the Financial Adviser and Chief Accounts Officer to the Board shall be such as may be prescribed. (8) The term of office and the conditions of service of the Chief Executive Officer of the Board shall be such as may be prescribed. 5. Jiré%idcivil ali other —The President, members or the Board may, at any time resign his office by letter to the State Government, but such resignation shall not take effect until it is accepted by the State Government. 6. Disqualification for appointment on the Board—A person shall be disqualified for appointment on the Board if he— (a) is a member of the Board; (b) does not wear Khadi; or holds any office under the Government; or is of unsound mind or is so declared by a competent Court; or is an undischarged insolvent or has applied for being adjudged an insolvent; or has been convicted of an offence, which involves, in the opinion of the State Government, moral turpitude; or has directly or indirectly by himself, by his wife or child, or by any partner in any subsisting contract or employment with, by, or on behalf of, the Board; or is Director or Secretary or Manager or other salaried officer of any incorporated company or any co-operative society, which has any share or interest in any employment with, by, or on behalf of, the Board; Provided he is qualified under (f) to be a member of the Board, by reason only of his being a director, secretary, manager or other salaried officer, having or interest in any newspaper or in any advertisement relating to affairs of the Board is inserted in the Official Gazette. (ii) his being a share-holder in any company or society, if he has to the State Government the nature and extent of the share held by him from time to time.

7. Removal or suspension of a member of the Board. (1) The State Government may, after such inquiry as may be necessary, remove from office the President or any other member, if he— (a) refuses to act; or (b) has become incapable of acting; or (c) has abused his position in the Board so as to render his continuance in the Board detrimental to its interest; or (d) fails, without such reason as may in the opinion of the State Government be sufficient, to attend three consecutive meetings of the Board; or (e) ceases to reside in the State of Bihar; or (f) has since his appointment incurred any of the disqualifications specified in section 6; or (g) is unfit to continue on the Board. (2) No order of removal under sub-section (1) shall be made, unless the member concerned has given an opportunity to submit his explanation to the State Government; Provided that a member may be suspended by the State Government pending an enquiry against him. (3) A member who has been removed under clauses (c) or (f) of sub-section (1) shall not be eligible for appointment to the Board as a member or in any other capacity. 8. Filling of vacancy—If the office of any member of the Board falls vacant, the vacancy shall be filled by the State Government and such person shall hold office for the period for which the member whose place he fills would otherwise have held office.

9. Validity of proceedings of the Board shall be deemed to be invalid only by reason of the existence of the vacancy in the Board or any defect or irregularity in the appointment of a member of the Board. 10. Staff of the Board. (1) The Board may, to the approval of the State Government, appoint such number of officers and servants as it may consider necessary. (2) The remunerations, allowances and other conditions of service of the officers and servants of the Board shall be such as may be determined by regulations made by the Board. 11. Advisory Council. (1) To advise and assist the Board in the discharge of its functions under this Act, the State Government may, by notification in the official Gazette, constitute an Advisory Council to be known as the Bihar Khadi and Village Industries Advisory Council, consisting of a Chairman and besides the members of the Board, such number of other members, not exceeding any number as may be determined by the State Government, as are, in the opinion of the State Government, interested in Khadi and Village industries. (2) The President of the Board shall be the Chairman of the Advisory Council. (3) The term of office of the members of the Advisory Council shall be three years from the date of the publication of the notification in the Official Gazette. (4) The State Government may, if it thinks expedient, dissolve at any time, the Council or accept the resignation of any of the members of the Advisory Council. (5) The business of the Advisory Council shall be conducted in such manner as may be

prescribed. (6) The, non-official members of the Advisory Council shall be paid such allowances from the funds of the Board as may be determined by the Board. (7) The Board shall have the office at such place as the State Government may in consultation with the Board, by the Board, determine and shall at such time and place, and every meeting of the Board shall be summoned in such manner, as may be determined by the Board: Provided that the President may, if he thinks fit, call special meetings, (2) Every meeting shall be presided over by the President and in his absence members elected one or more to preside at the meeting. (3) All questions at any meeting decided by majority or the members and voting and, in case of an equality, the person shall have a second or casting vote. (4) The minutes of proceedings of every meeting shall be recorded in a book to be provided for the purpose. (5) A copy of the minutes of every meeting shall be forthwith forwarded to the State Government or to such authority as the State Government may direct. If it is necessary to the State Government, by notification in the official Gazette dissolve the Board for such the notification period as and declare that duties, powers and functions of the Board shall, during the period of dissolution, be exercised and discharged by such or authorities, as may be specified in the notification. (2) The State Government shall, before the expiry of the period of reconstitution of the Board provide (3) may make such incidental and provisions as may appear to be necessary for giving effect to the purposes of this (4) or order made by the State Government under this section shall only be in force, of the Board. On the day of dissolution under Section 3— all and funds which immediately before the dissolution were in the possession of the Board for the purposes of the Act shall vest in the Government; (ii) shall vacate office as members of the Board; and liabilities (iii) all rights, obligations (including any liability under any contract) of the Board and liabilities of the State Chapter—II FUNCTIONS AND POWERS OF THE BOARD

14. Functions of Board to organise.the duty of the Board and regulate K Ladi and Village and perform such ogher functions as lhe Stale GO- vernrment may from time Onie. (2) Wihout prejudice lhe gec of the provisions of sub-section (1), 'ie shall, in particular, discharge and all Of any of the following dudes and fun -tions, na- mely— (a) to start, encourage, assist att' carry on Khadi and Village Induslr;e;, : (b) to help persons or associat .r,n of per- sons by providing them with work in their homes and to give them financial assistance in shape of loans .•nd grant for- any of the purposes of this ,Acl 011 such terms and conditions as may from time to tinte be laid down : — (i) by the Commission, in case o. loans and grams given by the Board funds received from the (20? vni;si01Y, (ii) by the State in Of loans and graots given the Board out of the funds received from lhe State Government or otherwise; and such terms and copditions may also, Pi'o- vide for the recovet'y of the loans witli interets Lhereon, if any, of grapis (c) to encourage the establisbev 71t or co- operative societies for Khadi Village Industries: (d) to conduct training Centres and people at such centres 01' ootlige 7 witli a vicW equi- he necessary Know• on kl•adi Ille supply or raw ' , for of such rics•, (f' to publiciiy of, popu- products ot' such indus- l; } stores, shops, empori- (g) 10 endeavouc to educate public opinion anel Enpress upon pubRc lhe ad- patronising the products of khadi and village industries; (h) Io obtair. the advice and gui- dancce of experts in such industries; (i) to an." encourage work connection witli kliadi aud village industries: (j) to or assist in the mainten- cc of the development khadi villgge industries: and (k) to discharge such other duties and to perfor ot hew functions as the State Government may direct for the pl.•rpose carrying out the objects of (3) ordinaiily con.sut(the Adéisory vGaStitutCd I with respect the discharge Of its functions under .".c.: posers of Board. for tilt purposes carry- ing oat undrr (his have' the following powers, namely : i) and hold such :novahle and propeHy as it dectns to lease, sell oc otherwise any such oropei".y : 1-4 X ' 8 Provided that in the of immovable , properly such posers siißll be eÅve;c;ual wilil the previous sanction or the State (ii) to incur expenditure and any work in any area in for the framing and execut ion of .e,che• mes as i! may consider necessary for the purpose Of carrying out the- provi• sions of this Act ot as may bc ted to it by the State Governrnen;; and (iii) to enter into any contract and ÉO do all !hings nccessaryfor the purp Of tliis Act. 15 A. Constitution of Standing Co. mmittee (1) The board may from amongst lhe members the rd a Standing Finance which shall exercise such powers and perform such functions relating to to' (iriance of the Board as may be - to it by the Board. (2) The Financial Adviser Acc- ounts Officer and the Chief w•utive Officer of the Board shall ale be the members of the Standing Fiuauce Co- mmiltee. Chapter—I V. PREPARATION AND SUBMISSiLN OF PROGRAMMES

[illegible]

21. Fund of Board The Board have two separate Funds to be called .he 'Khadi Fund' and 'Village industries and all grants and advances made to the Funds, from time to lime, by the SWte Goven- ment ot by the Commission for the purpose of development Of Khadi or the developmen, Of Village Industries and all other reeeipts of the Board shall be crediled to the 'Khadi Fund or the 'Village Industries Fund', as the case may be, and all payments by the Board for or. in respect of Khadi or Village Industries shall be made from the appropriate Fund. (2) The Board may accept grants, subven- tions, donations and gifts and receive loans from Government or a local authority or any- body or association, whether incorporated or not, or an individual for all or any of the pnr- pose* of this Act. (3) All money belonging to the Board sh,GI be deposited in such manner as the Sii.lc 9 sav lion of Stale and subject i hc provisions and Such Irons Stale Govern'ilent dctcrminc, borrow any sum rcqailu} for ii:c purposes of this Au

24. Board by such date in each year as may be prescribed, prepare and submit to the State Government for Val two separate budgets in prescribed form for the next financial year, the one called Khadi budget and the Village industries budget, showing the estimated receipts and expenditure in respect of Khadi and Village respectively, during the financial year

25. Sanction of budget,—g • The State Government may, by special order direct, (4) The accounts of the Board shall be operated upon by the Secretary and such officers of the Board jointly or individually; as it may authorise

22. Application of funds and property—Ali property, fund and other assets of the Bc shall Be held and applied by it subject to provisions Of, and for the purpose of this 23. Subventions and loans to Board (1) The State Government may, from time to time, make subventions and grants and loans to the Board for the purposes of Act on such terms and conditions as the Stc•e Government may determine in each case. (2) The Board may, with the previous Government may sangtjon the budget submitt- ed to it with such modifications as it thinks fit. (2) Subject to the provisions of sub-sections (3) and (4) Ito sum shall be exp.•aded by or on behalf of the Board unless expenditltre is covered by a specific provision the approved by the State Government (3) The Board may, within the respective Jimi'S of the Khadi and the Village Industries budget, sanction re• appropriation from one head of exrcuéturc to another or Korn a provision made for one scheme to that in respect of another, but in no case shall a re- appropriation of fund be made from the Khadi budget to the Village Industries budget or from the Village Industries budget the K hgdj budget except with the previous approval of the Statc Government; Provided that re-rppropriation the Iwad 'loan' to any otijcr head of expenditure and vice versa in either budget shall be sanc- tioned by the Board. except with Ilie previous approval of the State Government. (G) The Lioald way, lillii:s subject to such conditions as may be prescribed, incur expenditure in excess of the limit pro- vided in the budgets approved by the State 10 Government or e*pendliut'e 01 in -connection .with any So long as the •cilljount in bit(igct approved by the State is not exceeded, Board 26. Supplementary budget may submit a supp\ementaty budgel for the sanction of the State Government in sech form and before such date as the State Gov.rnment prescribe and thc provisions of SC c ion 24 and 25 shall apply to Such Stipple! *entafy budget. The shall 27. Annual Report . prepare and forward to the State Goé:rnment in such manner asn,ay be prescribed at, annual report within three months of the end of financial year giving a complete account.

Of its activities during the previous financial year. (2) The report received by the State Government under (1) shall be laid before both the houses of State legislature as soon as may be after it is received by the State Government

28. Further report, statistics and returns The Board shall, before such date and at such intervals and in such manner as may be prescribed, submit to the State Government report on such matters and such statistics and such returns as may be prescribed

29. Accounts and audit The Board shall be entitled to prepare and an statement of accounts shall be prepared in such manner as may be prescribed. Such accounts shall be audited by an auditor appointed by the State Government, Chapter—VI. MISCELLANEOUS



30. Direction by State Government In the discharge of its functions, the shall be guided by such instructions on questions of policy as may be given (to it, from time to time by the State Government.

(2) In any case between the State whether or not a question of policy, the decision shall be final. 31. and Servants of Board to be servants of Officers and of the Board shall be deemed, notwithstanding anything to the contrary in or pursuant to the provisions of this Act, to be public within the meaning of section 21 of the Protection of Civil Rights Act, 1950. 32. No suit, proceeding or remedy shall be available against any person for anything which is done or purported to be done under this Act. 32A. Sums due to recoverable as public demands—(1) All loans advanced under this Act, all interests, if any, chargeable thereon, all misapplied, this utilised or unutilised implied or otherwise and cost, if any, incurred in making or recovering the same, whether before or after the commencement of the Bihar Khadi and Village (Amendment) Ordinance, 1966 (Bihar Ordinance no X of 1966) shall, without prejudice to any other remedy provided by law, be recoverable under the Bihar & Orissa Land Revenue Recovery (B. & O. Act of 1914). (2) Where a sum is payable to or by the State within the meaning of the said Ordinance, the Director of Industries, Bihar shall, after making such enquiry as he may deem fit, and after giving person by whom the sum is alleged to be payable an opportunity of being heard, decide the question and his decision thereon shall be final and shall not be called in question in any court. 4 Explanation For the purposes of this sub-section, Director of Industries means Director of Industries of the Government of Bihar and includes any person not below the rank of a Deputy Director of Industries of Government of Bihar. Whom the Director of Industries may authorise to perform his functions in this behalf. 33. power to make rules (1) The State Government may, subject to the condition of previous publication, make rules for all or any of the following purposes of this Act: (2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely:—(a) the allowances of members of the Board and the Advisory Council; (aa) the terms of office and tenure, and conditions of service of the Financial Adviser and Chief Accounts Officer and the Chief Executive Officer of the Board including the salaries and allowances to be paid to them by the Board: (b) the manner and

form in which contr. acts shall be entered into; (c) the functions of the Board; (cc) the powers and duties to be and performed by the Financial Adviser and the Chief Accounts Officer and the Chief Executive Officer of the Board; (d) the form and of the programme for the promotion and development of Khadi and Village Industries and schedule of the staff of Officer.' and servants; (e) the Town in which and the date before - which the supplementary budget shall be submitted; (f) the manner in which the annual report shall be prepared and forwarded to the State Government; (g) the accounts and of a nature of accounts; (h) any other matter which is or may be prescribed under these Regulations. The Board may, with the previous sanction of the Government, make regulations not inconsistent with the rules made thereunder and publish them in the Official Gazette. (2) Particular and without prejudice to the generality of the foregoing power, the Board may make regulations providing for: (a) the procedure and disposal of its business; (h) remuneration, allowances and other conditions of service of members of staff of the Board other than the Adviser and Chief Account Officer and the Chief Executive Officer of the Board; and (c) functions and duties of the members of the staff of the Board other than the Financial Adviser and Chief Accounts Officer and the Chief Executive Officer of the Board.

35. Savings Nothing in this Act shall be deemed to apply to any industry declared to be a scheduled industry under the Industries and Regulation (I-xv of 1951), or to affect any of the provisions of that Act. (2) The provisions of this Act shall in addition to and not in derogation of the provisions of any other law for time being in force relating to Khadi and Village Industries. THE SO I EDU kai See Section 2 (C) J 1. Bee-keeping

2. Cottage Match Industry 3. Cottage pottery Industry 4. Cottage Soap Industry. 12 5. Flaying, tanning and tanning of hides skins ancillary Industries with tanning and cottage Industry

6. Ghani oil Industry, Handmade paper

7. Manufacture Of Gur- and Khac. dsari, 9. Palmgur making and Other products industry. 10. Hand processing of cereals and pulses. Woollen blanket industry. Dharmayug Press New, Patna-3 14 16. 17. 19 20. Calpentery blacksmithing. 1. 1. 1. C. Manufacture of Shilac. Collection of Forest plants and fruits for medical purposes. Fruit processing and preservation. Bamboo Cane Work. Manufacture of gum resins and manufacture of Katha. (ii) I (qro) gfvrr ziti I (v) f@rx fix v arrr Y (0 g,) ir.Jr fqrir irä T, fir4ir 'Err 47. ,7ii I *ftrfqqq, (z) "T.rqq" (d) 4fafaqq I 7qr qx qrü 3E- 8, fat, (ff.&r qrFuraz f;grz inz, Rfäf•r- G) frfq, (R) fafq Etafi, (Y) fqqq xziFT till zrfül *.1ziqrzrT. *fff- (t tiit, %FqrqR1, f7*qr- (ii) •AFT qx;g fr•rg fG•g 1 Orr qr äf«r a) A-ré, Jlfqrvii, (T furvii fq?vr I (q) f74" Tliii (V) T.räöfArröi ü, UitTfäzii (5) Züi, fwfq, v•qrzir p) mt'ir (71) 'Vii I qfq f*äzrf, [gqrzii qrqfzöi O) lgEiiq T'iöl rlå (Z) •477 qzrqüf I i.vrr qziâ-acr q.zft-t eqvü fqa ziri zrZT fru [BJ q-,rqi tar tÉ Orr I Fili Idfrl'iiiT fry. I (31) q.tqr (R) -rr Tt'rr 80,000 T.rvr (71) (R) frü t. zrfq ffffq z: •il.p ft-q?ä ziti 9 30T?t aaz fr.<r qxfqcz-? tr•TT ii qr å€qr, 1 [iiJ [iii] [vi] I [viiJ lil •ivu I [ii] t liiiJ [vi] qri FFi I [viiJ [viii] 1 [iiJ I [iii] üfä I [iv] q,rzi [Vij I Wii) *Tfqzrt I (viiiJ lil I [iii] I IVI f\$rrEt &FI, (Fl) (vil O) [viil it fqfu I (ii) (iii) I Ftv.Si •T.r (i) ;lii 2 (iii) •ail 9, (iv) (ii) fQ.äl 1 (iV) f-üz 1 (ii) (iii) 1 (i) qqr, (ii) fq--qr füz 3T;grR 1 ic.17 I (ij zrfr) fqrl (ii) (iii) IS. qrfrd qf?fJltz fifz, friu qfa)--- (R) frTFa (Otfq«qrx (e) füz 1 G) äqr qviFI (90 ("WI?) I •gfqq 1 •fix I