

KERALA KHADI WORKERS' WELFARE FUND ACT, 1989 (1 OF 1989)

KERALA GAZETTE EXTRAORDINARY PUBLISHED BY 113ih Ap*il 1989 - [No: 354 VOL Thursday, 23r. Chaith*e i911 'GOVERNMENT .or KERALA Inw (Legisladon C) Department. NOTIFICATION No: 20673/Leg: Dated; Trivandrum, t989 23rd Chaithra, In pursuance of clause (3) of arricle 348 df•the Onstitution- of India, the 'is- pleased to authorise the publication in the *Gazglte of tke following. translatien the English iar.guzge of the ger41z Khadi Welfare Fund Act* 1989 (1 of 1989). By order of the gomnnor, Specia4 -Seâetary PRINTFD AND S..G.P. At tleIVANnm.JM,. 1989 KERALA k,fr1ADi WORKERS' •WELFARE, ACT, CONTENTS Preazible Sections i9gé 1, -2. 3. 6. 7. 8.' 9. IO. j 1.1 12. 13. 14. 1-7. 19.8 20, 21. 22-. ' 23. 241 25

26. Short title, extent .and Commencement, Definitions Workelê Welfare Scheme GöntribV1tion to •the Fund Tüodification •of the Scheme Constitution of Board Term of omce the, Directors Removal of non-dffcial• Directöis' Appointment pf Öffcers and Staff Powel' of the Board.to borrow Determinatibri Df amount due i. Mode of recovery of mongy-due, from Khadi Institutions P."0Fity Of..rayqrient of contribytiqn over other debe Khadi Instiitution•s not to. reduce wages etc. , Diréctörs of mard etc. to lbe public servants '16. , Penalty'. Poweé toxecoyet damages ' '-Protection Zr good faith Direcddns by Goërnment Powe'i' to order, inquiry ?pWer t' supersede Board Of accounte of. the Board, appointment •xemunératiön of' auditbrs _ T Annual réport a+d. audited statement'qf accoUnts Bar of juriSdiction .of Civil Co'üits Special pro{åsions. for transfer of accumu!ation from Welfare Funds established by.' any Act or agreement Power •to make rules Repéal Schedu\ë. (Engl%h Translation) ACT 1 oVi989 THE. KERALA KHADI WORKERS' WELFARE5FtJND.an, 1989 (Received assent of theovercor •the 30fh.âay of-Jaxxüaty, •190 and "published as Acc of '1989 in. the kerala, Gazeitg Extrac•rdinary No, 100 dated'the31 stJanu&y, 1989.)' An, .döt'• to provide fir •the}.cönslittiliorz .of d Fond -'to grant .räZief to, to pgonbte the welfare of and, to Pe#ion-tot the Khadi IWerkgrs• in -khadi *inaustryii the Stagge- öfKergla and for ciftain dt,hw ,matters- iilfide"tal- ihdeto. .dPieamblc.—Wi-IBREAS it .expedient td provide 'for the constitution of a Fund' to 'grant reliéf •lo, to promote *he; welfQre Of and tot pay pension -to ;the K»adi 'Wörkers industry -in the' Stage OE Kerala •and-for certain other, matierg- incidental thereto. 'BE •it enacted •in •thek'Th-ifty:ninth• Yf'at'. 'of the Republic, of India as follows i. änd •This Aet may bö'called the Kéralâ Khadi' Worker? Welfaze Fund -Act; 1909. (2)• It. extends to the State'of Kerala., (3) It shall come into such dgte ag the Governmentvmay, by notificatiön in the Gazette, appbint. 2. tfrisBct,• üli.less the Context otherwise *equires,— "Board", memk_ the, Rhädi Workem' Wplfaré Fund Board under sectiön 6; *'Chief Executive *Officer" medns th9 Chief •Executive Offee* n appointed. sub-section (T) of section- (e) t'Contribution", heans the sum 'pf money; the Fun' under -section, '4; G É, Cost 'Chart" rnéan•s• the Cost Chart appi•oveâ Eancl en{brced by the Khadi' and- Village: qommiß3ion from *time to•time; husband; wife, miriorsens, untña.lTi&d. dai.lßhtevs; Gi) ' ? father•and pother who are dependent upqn the Khad 4 (f) "Fund" KetaJa Khadi Workers' Welfare Fund atabli- under section .13; (g) "Khadi IA.stitutiön" the Kerala Khadi and Village Industries Baard constituted under the Kerala Khadi and Village Indüétries Board Act, 1957 9 of 1957) ; • Societies registered, or to be registered, under the Kerala Co-operative Societies Act, 1969 (21 of 1969) or. theTravancore-Cochin Lilerary, Scientific and Charitable Societies Registration Act, 1955 (12 of 1955) or the Societies Regisü'4tion Act, 1860 (Central Act XXI of 1860), arLd' engaged in the prodoction of Khadi with the financial and technica} assistance from the Kerhlar Khadi and Village Industries Board or from the Khadi and Village Industries .Commission ponstituted under the Khadi and Village Industries Com.mi*Bion Act, 1956 (Central Aét LXI Of 1956); (h) "Khadi" rneans any cloth woven- on handlooms in. India from cotton, silk oi• woollen,yarn handspun in India or from a mixture of any tfo or -all of such -yarns; (i) ' 'Khaäi.worker" means any pexon employed'though Khadi Insti- Qtions and cqqaged in the produc60n of Khadi. or doing anykwork in connec- tion I,vith the" - various processes in indvstry land gets his wages from such ingtitütions and includes an* other person. engaged in Khadi industry whom. the Government 'may' by notification. in the Gazette from time to time declarelto• t be Khadi worker for the {purposes of this Act. any "estion arises as to whether a person is or is not KhQdi worker forrthe, purpose' of this Act, thc question shall be réferred tb the Secretary, Kerala Khadi and Village Industries Board or an offcer authorised by the , Government in behalf whose decision thereon Shall be final. (j) 'CMerhber" means a member of the Fund; (k) "Péfson" includes a Company, a

firm, an association of individuals, Societies registered Or deemed to be registered under the Kerala Co-operatiro Societies Act, 1965 (21 of 1969) or the Travancore-Cochin, Literary Scientific, and Charitable Societies Registration Act, 1955 (12 of 1955) or the Societies Act, 1860 (Central Act XX10 of 1860); "Prescribed" means - by rules made under this Act; (m) "Processes in khadi industry" means processing of cotton, sliver yarn production, processing of yarn for weaving; weaving, designing, dyeing or bleaching of Khadi yarn or Shadi cloth, printing and finishing of Khadi products; (n) (o) (p) 5. "schedule" means the schedule to this Act; "Scheme" means a scheme framed under section 3; "Wages" means Wages payable as prescribed in the Cost Chart; "year" means the financial year

3. Khadi Fund The Government may, by notification in the Gazette, frame a scheme to be called "The Kerala Khadi Workers' Welfare Fund Scheme" for the establishment of a Fund under this Act for the welfare of the Khadi workers in the khadi industry and there shall be established as soon as may be after the framing of the Scheme, a Fund in accordance with the provisions of this Act and the scheme. (2) There shall be credited to the Fund (a) the contributions specified under section 4; the amount borrowed by the Board under section 10; (c) damages awarded under section 17; (d) grant or loans or advances made by the Government of India or the State Government or any institution; any donations from whatever source; (f) any amount raised by the Board from other sources to augment the resource of the Board; (g) fee, levied under the scheme; any amount; which under the provisions of the scheme, shall be credited to the Fund; (3) The Fund shall vest in and administered by the Board constituted under section 6. (4) The Fund may be utilised for all or any of the following purposes; namely (a) payment of pension to a member who is unable to work due to infirmity or has completed the age of sixty years (b) for payment of family pension and Provident fund; (c) to provide for maternity benefits to women khadi workers; (d) to provide for the khadi workers, and members of their families: (i) medical facilities; (ii) nurseries and creches; (iii) educational benefit; (e) for meeting the funeral expenses of the khadi workers and members of their families; (f) for any other purpose specified in the scheme. Subject to the provisions of this Act, the scheme framed under sub-section (1) may provide for all or any of the matters specified in subsection (4) and in the schedule, - (6) The scheme shall be laid, as soon as may be after it is framed, before the Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two sessions, and if, before the expiry of the session in which it is so laid or the session immediately following the Legislative Assembly, makes any modification in the scheme, the scheme shall thereafter have effect only in so much as modified form, so however that any such modification shall be without prejudice to the validity of previously done under the scheme. 4. Every Khadi worker shall contribute to the Fund every year in the manner provided in the scheme eight per cent of the total Wages received by him in a year in accordance with the terms of the Cost Chart. (2) Every Khadi institution shall contribute to the Fund every year an amount equal to the amount contributed by the Khadi workers employed through that institution. (3) The Government shall contribute to the Fund an amount equal to the amount contributed by the Khadi workers under sub-section (1). The contribution shall be paid to the Chief Executive Officer or other officers authorised in this behalf in the manner provided in the scheme. (5) Where the amount of contribution, payable under this Act involves a fraction of a rupee, the scheme may, provide for the rounding off to the nearest rupee; 5. Modification of the Government may, by notification in the Gazette, add to, amend or vary the scheme framed under this Act either prospectively or retrospectively. * _ Every notification under sub-section (1) shall be laid as soon as may be after it is issued, before the Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, the Legislative Assembly agrees in making any modification in the notification or decides that the notification should not be issued, shall in that case have only in such modified form or be of no effect, as the case may be, however any such modification or amendment shall be without prejudice to the validity of anything previously done under that notification

6. Constitution of the Government. may, by notification in the Gazette, constitute with effect from such date as may be specified therein a Board to be the Kerala Fund Board for the administration of the Fund and to supervise or carry out the activities financed from the Fund, (2) composed by the members aforesaid, having perpetual succession and a common seal and shall be named as the Board. The Board shall consist of five members nominated by the Government as hereinafter provided, — Vice-

Chairman; Khadi aid* Village ludustlies ex.offio; Secretary, Kerala Khadi and Viilate Yqdu\$re t*-
oficio.; '(iii)t• One person representihg Khadi and Village IndGtrieã Comm.i\$#ioris (iv) One personi
epresentin.g Khadi Ihstituægg -Four persons representing tbi khâdi• workers; (vi)l Three Officers•, Of
governmeqt\$ repreenting the Departrneiht., the Finance Depårtmeht and the Labour Depart- ment One
ofrthö Directors,, of the Board" 'shall be aépoinifd •by *the Gove+nmeht •vo be its. Chåirmän-. The
Government sHall in the Gazette the names of the- Chaimnaxi and 'Director* a? the, Board. (6) The Boald
shall administer the Fund vated in it in such magner as may be,specified Lin the scheme. '(•'7) 'The •Board
xnay. with the -previous approval; of the Government delegate Vo. the Chairman or to any Director of the
Board or to the Chief Exe- outive Offcen of its powers * and functions under this Act • Or the scheme as it
may necessary for the efficient administratiofi of the Fund, subject iO such restrictions and conditions, if
any, as it•may specify. 7 . Tenn oj ofte of the Non-offhcial Directon appointed under sub-section (3) of
section 6 shall hold office for a period •of three years. (2) Notwithstanding anything cont4incd in section 8,
the. Government may, at any time, for reasons to be recorded in writing, remove from Office any Director
of the Board after giving him reasonable opportunity of showing cause ågainst the proposed r&npval:
Provided that. it shall not be necessary to record •inhwiiting, the reason for renn>val or to give an
opportunity of showing cause against the;proposed removal, if the Gov_ernment are orthe opinion: that l.it
is Z not expedient,. iu thö publiC interest, G record the reasons in writing or to give sych opportunity. Any
Director may roign his membership by giving notice in writing tō the Government, but •shall continue in
office until his. resignation iSi accepted by the Government. 8, Removal, of non•offciat The Government,
may. by notification in the Gazette, remove any non-official Director of the' Board (a), il\he has, without
the permission of the Board, been. abs-ent from the meetings of the Board for three consecudve meetings:
Provided,' however, that such absence. may be condoned by •CheiBoard bé(ore the publication of the
notification in the Gazette; (b) 'if in the opinion of the Governments he is-unsuitable or has béome
incapable of acting as a Director or has so abused his position as a Director as to refider his continuance as
such Director detrimental to the Public interest; Provided that before removing a Dfrector under this sub-
section, he shall be given a,reasonable show cause why he should not be removed. (2)j• A Director of the'
Board removed tmder clause (a) of sub-section (1), shall' be disqualified for re•appointment as a Director
of the Board för a petiöd of three years from the date Of his removal* unless' otherwise ordered by the
Government. (3) K non,,oãcial Director of the Board removed. under clause (b) of gub-section (1) sbail
riDt%e eligible for reappointment until he is by an order of the Government to be no lonæerindigible. 9i
Appointmenbj: Often. fle •Gowernment; may, appomt. the Secretary, •Keralg• Khadi, ånd• Village
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Govern- ment•cofsider.necessar.y to' assist. ttle Board in the dischårge of: its "fuiictiqns and duties under
this Act. Subj?Ct -tow the Vrovisions of the method ,of appointment, -salary and,ållbwgnceg, discipline
an"d conditions of service of the pfücers _and appointed undep sub-section %hall be may.. be prescribed..
(3) ' In thgrcæe- of ,rp-osty in the seivice tin'dgi• the. Board to which I L apppinirnént iS -made by. -
dilect recruitment, mutitis observe thé: provisions •of clauses (b) and rule 1•4• end.the provisions of
•rules. 16, 'Z an-d- TA' of,,thO• Kerala State: andi Subordinate Servite* R•tiless •1958 •as' •ä_yÉnded to:
time. "10. p:otœö of thå 'Baard. •tb from time time, , With the ot the• Goverh.mellt' and subject tb such-
terrhg• nand conditions, as specified by t;hé GåVernment* Borrow Jnoney _for the',pu\$poses of the
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Lab(hr Offéer authoised by the* *Board in this ' dfterlm•aking stich enQxiry gs- may be ,npceSsary zand
after. giving eve}9 person liable to pary•Qoritiibugi04 uqder section 4, contribution *d.ue under • thet
Vtö.viSibns I ofthisÄct'. (2) The 'condueiing: Che ienquiry !undor idb•seétiÖ.n Ishäll, for thi purposes
Qfisucfi enqyiry, havorthé Same?poyers as ere- vested in a Ciiri! while trying. suit uncler- the, Code,pf
.Cjvil Proceedyre, E Aet 5 , 1-908) •iïi .respec(l •of the. 7namely (a) @tteqda.ifice of any pergo\i or:" him.
onr Oath'; .4 (b) •requiring discovery md -prodUGtion *of doo{tments•; -receiving: e.yidenee• afid@.vits;
Fj(d) isGning' •cornmissions for the examifiatiöq: . of Witnesses. Any' en'quiry under this shall Le-
deerned to a judicial proceeding withih the meaning of sections 4193 •and 228 of the rndian. Penal •Code
(Central Aqt 45 OF 1860) and for the of section 196 of the said Code.. 16 (4) Api person. aggrieved' by. an
oraer under- sub-section (1) within thiFty days ;from the date of. receipt Of the order pefe& an appeal ito
the Labour Commissioner or an offcer, not below• the rank of District: Labour" Offcer authorised by him
in this behalf. and the Labour Commissiöner or the offCer authorised by him may, after making such

enquiry: pass such orders thereon, as he, thinks fit. (5) The Government may, either sub. motu or on application of the aggrieved call for records of any proceedings taken by the Labour Commissioner or the officer authorised by him under sub-section (4) and make such enquiry and pass such orders; as they deem fit: Provided that an application for, revision under this sub-section shall be made within sixty days from the date on which the order was communicated to the applicant: Provided further that no order shall be passed under this sub-section without giving the person who may be affected thereby an opportunity to be heard. 12, Mode of recovery of money due from Khadi Institutions—Any amount due from the Khadi Institutions in pursuance of the provisions of this Act or the scheme may, if the amount is in arrears, be recovered in the same manner as an arrear of public revenue due on land, 15. Priority to Payment: over other debts.—Where any Khadi Institution liable to pay contribution to the Fund under section 4 is adjudicated as insolvent, the contribution due to the Fund shall be deemed to be included among the debts of the insolvent institution and be paid; in priority to all other debts in the distribution of property or assets of such institution. Khadi Institution not to reduce wages etc.—No Khadi institution shall by reason only of its liability for, the payment of any contribution to the Fund, reduce whether directly or indirectly the wages of any Khadi worker to whom the scheme applies or the total quantum of benefits to which the Khadi worker is entitled under the terms of his employment express or implied. 15, Members of Board etc., be public servants—Every Director of the Board; Chief Executive Officer and officers and members of the staff of the Board appointed under sub-section of section 9 shall be deemed to be public servants within the meaning of section 21, of the Indian Act 45 - 1860). 16. Whoever, for the purpose of avoiding any payment to be made by himself under this Act or under the scheme or of enabling any other person to avoid such payment knowingly makes or causes to be made any false statement or false representation, shall be punishable with imprisonment for term which may extend to three months, or with fine which may extend to five hundred rupees, or with both: (2) Whoever, commits default in complying any of the provisions of the Act or of the scheme shall, if no other penalty is, elsewhere provided by or under this Act for such contravention or non-compliance be punishable with imprisonment for a term which may extend to two months or with fine may extend to four hundred rupees, or with both* (3) No court inferior to that of a Judicial Magistrate of the First Class shall try any offence punishable under this Act. (4) No court shall take cognisance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made with the previous sanction of the Chief Executive Officer. 17 ; Power to recover damages.—Where any person makes default in the payment of any contribution to the Fund under this Act or the scheme, the Board may recover from him damages: not exceeding twenty per cent of the amount of arrear as it may think fit to impose. 18. Protection of funds done in good faith.—No suit or other legal proceeding shall lie against any Director of the Board or any other person in respect of anything which is in good faith done or intended to be done under this Act or under the scheme. 19. Directions by The Government may after consultation with the Board, give to the Board general directions to be followed by the Board, (2) In the exercise of the powers and performance of its duties under this Act, the Board shall not depart from any general directions issued under sub-section (1), except with the previous permission, of the Government. 20, Power to order inquiry.—(1) The Government may at any time, appoint any person to inquire into the working of the Board and to submit a report to the Government. (2) The Board shall give the person so appointed, all facilities for the proper conduct of the inquiry and furnish to him such documents, account and information in the possession of the Board as he may require. 21, Power to supersede.—If on recommendation of the report under section 23, or after consideration of the enquiry report under section 20 the Government are of opinion that the Board has persistently made default in the performance of the duties imposed on it by or under the provisions of this Act or the scheme or has exceeded or abused its powers, the Government may, by notification in the Gazette, supersede the Board for such period not exceeding six months as may be specified in the notification; 22 Provided that before issuing a notification under the Government shall give a reasonable opportunity to the Board to show cause why it should not be superseded and shall consider the representations of the Board. Upon the publication of a notification under (a) the Directors of the Board shall, from the date of such publication, vacate their offices as such Directors; and all the powers and duties which may be exercised or performed by the Board shall, during the period of supersession, be exercised or performed by such officer or officers as may be

'specified in the Notification; the fund* and other properties vested in the Board shall, during the period of supersession, vest in the Government; and, on the expiration of the period of supersession specified in the notification issued under subsection (1), the Government shall constitute the Board in the manner provided in section 6, 22, Audit of the Board and appointment of auditors.— (1) & - The Board shall cause to audit the accounts of the Board. (2) • The accounts of the Board shall be examined and audited once in every year by such auditors



23. Annual report gpd audited statehænt The.annual !tqort of the Board shall be prepared. Unad the direction of the Bôård ä.fid after åpproval •by the Board, the repoi't:tögether With audiiied st.#tement. ofaccbunts shall be submitted to Cöv.emment befoie the end Of July every yeu. (2) *The: Government ShallLås soon, a-s• the ånnuåll&epbrt is .receiv\$d., qatåse thö -same together with the' audited statément of accounts fo be. laid on •the table ot the Legislative Assembly: 24! ' Bar öf . _7urjsdic\$ion of .Cibit Court shåll have juris- dicti6n to seetle-.decide .or dea•L with iny +iestion Or tö'éetermine any' matter which i\$.by oi under Act the schiénie required to' be -settled decided with or to be détermined by the Gove+nnment or the Boer-d or-thc Laböt.iv Commissioner or any authorised by the: Labouëf Cormmis*, siöner:yor• 'the Chief Executive Offtér• drany Officer authorised. bythe -Board.- •25.. Special prouiGohs Jor traifer •of agcunzulgtion Wilfar.; Funds. {Staa ' blishid uby any Act, apything 'ig anyw other law for •the time. being in fogce .on •the, date of cÖliung •ili'!o force ?ofihi31 the Sum sphäinÉ- tke- .of -a .membeay rin any W.elfalZ Fund. established'. e\thei .by anyqaW',or agreement' shall stand trapsfefred.io and credited to the Farid: tthis A-ct of-such:rrnem-n bbl* to' pay contributioii tö such Welfare •funds shall cea'e from such. idate•. 26'. - P.ow.éz lö maki. The Gove+nnment•may; by notifiÉatiOn in r the Gazette; make -riles either prospectively• Che purpose ,oit carrying: into. ;éffect " •the. :pro+isions of this"Act. (2) "Every: rulömade unaer *this: Act shåll•: låid9Z soon. 'as •m may; after it isl•måde, 'before Legislatíve A\$sembhr',wlii-le i!, is in session. 'for a«total•. peflQd days •Which mazy 'in •one. session in: twö'successive. sesÉionsi and, if; before the:expty_ • of the ge\$ion in:which •it is'so laid tor the ,séssion• immediately the LegislatiVe 'Aésefribly makes •any modificatibn aule ;öiXdeCidestthat the rule {hduld •not •be made, the rule *hallc pgly;ilii süchZ "odifie@.form Or of no effect; the c@sgühiay? be; 'howeqer (thag of" {annulment 'hall' without, pYeuidige to ivglidity-Å! gn.ytt%ing preidqusly done-undef t!latl "e Releai.—nhe ' Khadi! : Welfare Eund Ordinalxwe•.; 19.89, r ('19 9f 1988), •is -li&eky repeam..., SCHEDULE section 3'5)']• Matters for .which provision may• be made iu the schemer . Registration • Of Khadi workexs; 2 i. 'The time and manner in which contiibution shall be made to thea Fund by Khadi hvorkers, and the Khadi institutions. under section 4 ana the' manner in which: contribution may be recovered; 3 : Tip manner iri which t•hö contribution of•the Khadi yorkers -from* different sectorS may be recovered by the Khadi Institufions; 4. The constitàtion pf any Cömmittee for assi*ting. the Board; 5 . The tmahner in •which accounts sbä.ll be kept, the investment of moneys bélönging to. .the, Fund in, aq.cofdäpce with any directions. issued or .specified by the: Government, the preparation, of the budget, audit of accquints and the submission of reports- to the Government; 6. The- conditions underi which withdrawal the Fund may be •peinitted and any dedugtion or forfeiture •may be-.made arid •the -maximuni amount of "such' deduction or forfeiture; •7 . Thé

form in which' a member shall furnish particulars about himself and his family whenever required ; The nomination of a person' to receive. any family pension of a member. on his death and the cancellation or variation of such 9 The registers and records to be maintained with respect to. Khadi workers and 'the returns to be furnished by the institution; 10. The form or design of any identity Card, - token for disc for purpose of identifying any member of the Fund and for issue, custody and replacement thereof; 11. The fees to be levied for any of the purposes specified in the schedule; 12 The further powers, if any, which may be exercised. by the officers appointed under the Act; 13. The manner in which the sums transferred under section 25 to be brought and credited to the Fund; 14. The purposes for which the Fund may be utilised for the welfare of Khadi workers ; 15 . The procedure for defraying the expenditure incurred in the administration of the Fund 16. The procedure for paying pension, family pension, grants or advances from the Fund; 17 . Establishment of Provident Fund Scheme for Khadi Workers; 18. Any other matter Which is to be provided for in the scheme or which may be necessary or proper for the purpose of implementing the scheme.

