

SIKKIM KHADI AND VILLAGE INDUSTRIES BOARD ACT 1978

GOVERNMENT EXTRAORDINARY PUBLISHED BY AUTHORITY GAZETTE No. 45 Gangtok, Friday, April 7; 1978 LEGISLATIVE DEPARTMENT NOTIFICATION NO. 11/LL/78 Dated Gangtok, 7th April, 1978. The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on the 5th day of April, 1978 is hereby published for general information. SIKKIM ACT OF THE SIKKIM KHADI AND VILLAGE INDUSTRIES BOARD ACT, 1978 ACT to provide for the establishment of a Board for the development of the Khadi and Village Industries in the State of Sikkim and for matters, connected therewith. Be it enacted by the Legislative Assembly of the State of Sikkim in the Twenty-ninth Year of the Republic of India as follows .. Short title, extent and commencement. Definitions., O (2) (3) CHAPTER PRELIMINARY This Act may be called the SIKKIM KHADI AND VILLAGE INDUSTRIES BOARD ACT, 1978. It extends to the whole of Sikkim. It shall come into force on such date as the State Government may by notification in the Official Gazette appoint in this behalf. In this Act, otherwise requires— (a) (b) (c) (d) 'Board' means, the Sikkim Khadi & Village Industries Board established under Section 3. 'Khadi & Village Industries Commission' means the Khadi & Village Industries Commission of India established under Section 4 of the Khadi & Village Industries Commission Act, 1956 (Central Act; 61 of 1956). 'Khadi' means any cloth woven on handlooms in India from cotton, silk or woollen yarn handspun in India or from a mixture any two or all of such yarns and shall include ready-made garments made out of such cloths. Industries' means all or any, of the Industries specified in the schedule to the Khadi and Village Industries Commission Act, 1956, and includes any other industry deemed to be specified in the said schedule by reason, of a notification issued by the Government of India, under Section 3 of the said Act, and (ii) (g) (h) (j) any other industry specified, in, this behalf by the Government, notification in the Official Gazette in consultation with the Khadi & Village Industries Commission of India and the Board. "Government" means the Government of Sikkim, Prescribed" means prescribed rules made under Regulations" means regulation made by the Government under this - 'Chairman', means Chairman of the Board. 'Vice-Chairman' means Vice-Chairman of the Board. - 'Member', means member of the Board : —a: CHAPTER II Establishment and incorporation of Board. Constitution of the Board. 4 THE SIKKIM KHADI AND VILLAGE INDUSTRIES BOARD 3. With effect from such date; as Government may, by Notification, fix in this behalf, there shall be established a Board to be called the Sikkim Khadi and Village Industries Board.— It shall be a body corporate by the name aforesaid having perpetual succession a common seal, with power to acquire hold and dispose of property and may, by the said name, sue and be sued= (a) 4. (b) (e) (f) (g) (i) (if) The Board, shall consist of not less than Seven and not more than eleven members; all of whom shall be non-officials who are already interested in constructive activities relating to and who have abiding interest in Khadi and Village Industries programme. The members of the Board shall be appointed by the Government as the Chairman of the Board. Government may appoint the other members as the Vice-Chairman and perform such duties as may be delegated to him by the Government after consultation with the Board, appoint a member other than the Chairman and the Vice-Chairman to be the Secretary. The appointments of Chairman, Vice-Chairman and Secretary - Shall be made by the Government in consultation with the Khadi & Village Industries Commission. In the event of any vacancy in the office of member of the Board by reason of death or resignation or removal such vacancy shall be filled in by appointment by the Government and the member appointed in such vacancy shall hold office for the unexpired term of his predecessor. The Chairman, Vice-Chairman and the other members, of the Board shall, receive such allowances as may be prescribed and all such allowances shall be paid from the funds of the Government. A person not being of the Board to be the Financial Adviser to the Board, < The Financial Adviser may, also function as the Chief Accounts Officer. The terms of office of the Financial Adviser and the functions of the Financial Adviser shall be such as may be prescribed in the rules made by the Government. 6. - Any member of the Board may resign his office by giving notice in writing to the Government and such resignation being notified in the Official Gazette Government, shall be deemed to have vacated his office. 7 ; 1 act or proceeding of the Board shall be questioned or invalidated if it is presumed to be good and valid/ Temporary association of person with the Board

for particular purpose. merely by Y9canqy initsvmembership-on aCcount of resignation, death by. reason, any def9Ct Lin the: constitution thereof. 8. (2) The Board may. associate.with«itselfin such manner and for such purpose as determined by regulations made under this Act, •any. perSomwhOSev assistance or advice it may desire .in com- -plying with; ariYiOf the ÉVoyisionS of this Act. A person 'aksociated with.the Åohrd under Sub-section (1) for any purpoSe thexight to take part in the discussiom of the Board' relevant t0>that. purpose, but shall not have the right to OfficewoüOffiCéYs'Sháll 5. man, not have theright to vote. The Bôard Shall meet. afßuch times and at such placesand shall Subject'tO ChepOVieiöhSof Sub-sections (2), (3) and (4), observe such rtileS Of prodedUré in 'regard to transaction of business at its meetingsS (iiiélüding the quorum at meetings) as may be provided by; Yeéulâtiohs made by Board under this Act. Provided that •the *Odffd shall at least' Once in every two months. The Chåfrman, may, Whenever he thinks fit, call special meetings (2) of the Board. The 'Of-iri 'his absehCe, the Vice-Chairman or if he is (3) ålSb absent'; . such, member as may be chosen by the members present' from åiiåbhg themselves Shall' preside at a meeting of the •Board. Alli questidhs, at meeting of the BP9rd• shall be decided by the (4) majoritföf them 90teS of;the members present and voting and in the Of equality df VoteS the Chairman or, in his absence, the person 'shall have a second or casting vote. (s)s The proceeclihg Of the meeting Of the Board shall be forwarded to theGoverhIRerft and the 'Khadi and Village Industries Commission Withinlfifteéff days COYÉvery meeting. term of office and terms and conditions of services of the Chair- the and other members of the 'Board shall -E 4 •Term' of office and con- ditions services OJ Chairman, - Secretary,. VicæChair}nah, Qthek, members •of thi Board. Powers and duties of the Secretary. oncers and 'sgrvants of the Board and the cbndi- clone of their serviées. Standing Finance Com- hittee. bé such as may be prescribed. i r.e• The Secretary shell exercise 'such powers and discharge such duties as may be prescribed or as may •from time.to time, be delegated to him by the Government dr by the Chairman. Ili A. (1) (i) (3) (d) The shall appointåh Executive Offcer' to manage the affairs Of the Éöår\$;f shall also function as Secretary to the The functåOnS, powers of the Executive OOffcer shall be Stidh 'åS be Aked by the Board: v Thé Éxeååtivé Officeh *hay be •a Government servant whos,e sei'Qicé's' åi•d placed at thé disposal of the Board bythe Govern- ment md if he IS Governments servant, his repuneration, allowances and Other c0hdi0hS Of serViCe shall be-such as may be fixed by the Governmetitc In Of a person other thåfi Government servant being .ÄppöihCed• as the Executive Officer, hiS reialUHeratiOh; allowances arid other comditions rofservice shall be fixed by the Board With the pri0F approval of theSGovernment. The Board may appoint 'Uch Other officerS and servants as it may dOnSidér necesSary ;föf the' effcient discharge of -its .fun•ctidns. Ptovided ; that the board may •delegate its, powers in this behalf 'to; the. Chairman or Q)thei members of' officers of the Board. Subject to the •proviSionS of clause (c) Of Sub-section (1), the and Other conditions of service of the •öffeét•é ånd•Bé+våhts Of 'theA30ard shall be such as may be de- termined by regUlationg

12. The Board may. constitute"froil among the member of the' Board a •Standing: Finance. , Committee exercise ; such powerspand. pekform• such functiOhs relating to. finances Off the spoard as miay be laid down by regulations 4lade by the Board. Subject to qn,y, •rulegmade in thisbehalf,the Board may from time to time Appointment 'of pothei committees. appoint' Oneorzmore, CommitteesAforw the, Purpose seCuring the effcient discharge 'Of its functions andi Qin parcigular, for the purpose of securing thaethe funCtions are discharged •with regaid, to the circåmstances and requirements of Khadi or any particular village Industry. Such committees may be appointed for any specific areas. Functions of the Board. General powers of the Board

CHAPTER 111 FUNCTIONS AND POWERS OF THE BOARD. • R i) 't ' •It shall be thev duty of the Board to encourage, organise,develop and regulate Khadi .an& 'Village Industries and perform such functions as the Governmenc may prescribe from time to time. Without' prejudice, to the generality dfuthe provisions of Sub- (2) , section (i Board shall also Iin•particular, discharge and per- form 911 or any. of the following duties and functions, namely tos start, encourage, assist,. and 'carry on Khadi and Village Indus- (a) tries and to carry pn trade or business in such industries -and in matters, incidental to such trade or business. to hglp Che people by providing them with works.in their homeg (b) and to give, loans and other forms of monetary help to individuals or societies •or institutipns: on such term' as may be prescribed. to encourage, establishment. co-operativeo• SoCiéties for Khadi (c) and Villlage •Industries. to conduct training centres and, to train people. thereat with a (d) view. to . equip them with the necessary know* for starting pr carrying on Khadi and Village Industries. (e)(i) to manufacture, tools and implements required

for carrying on Khadi and Village industries and to manufacture the product of such industries: (ii) to arrange for the supply of raw materials and tools and implements required for the said purpose, and (iii) to sell and arrange for the sale of the products of the said (6) (g), (h) Industries. to arrange for publicity and popularising of the finished products of Khadi and Village Industries 'by Opening stores/ shops, emporia or exhibitions and to take similar measures for the purpose, to endeavour to educate public opinion and to impress upon the public the advantages of patronising the products of Khadi and Village Industries. to seek and obtain advice and guidance, of experts in Khadi and Village Industries. to undertake and encourage research works in connection with the Village Industries and to carry off such activities as are incidental and conducive to the objects of this Act. to discharge such other duties and to perform such other functions as the Government may direct for the purpose of carrying out the objects of the Act. Subject to the other provisions of this Act the Board shall, for the purpose, of carrying out its functions under this Act, have the following powers, namely;— (i) to acquire and hold such movable and immovable property it deems necessary and to lease, sell or otherwise transfer any such property. - Provided that any lease, sale, mortgage, hypothecation or other transfer, to any person or authority other than Khadi and Village Industries Commission of any immovable property belonging to the Board shall be null and void unless it is sanctioned by the Government, (ii) power to make contracts. 16. to incur expenditure and undertake any work in any area of Sikkim '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 such functions as may be entrusted to it by the Government; The Board may enter into and perform all such contracts as may be considered 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 its Chairman. Provide that the Chairman, or order, in writing, delegate powers in this behalf to the Vice-Chairman or the Executive Officer. Every contract made on behalf of the Board shall, subject to the sanction of the Government, be subject to the directions of the Khadi and Village Industries Commission may give to the Board. Preparation and submission of programme = Sanction of programme. it from time to time. CHAPTER IV PREPARATION - AND SUBMISSION OF PROGRAMME (2) (a) (b) (c) In each year; on such date as may be fixed by the Government; the Board shall prepare and forward to the Government the programme of work. The programme shall contain particulars of the scheme which the Board proposes to execute whether in part or whole during the next year. particulars of any work or undertaking which the Board proposes to execute during the next year for the purpose of carrying out its functions under this Act, and such other particulars as may be prescribed. 19. (3) The Government may in consultation with the Khadi and Village Industries Commission, approve and sanction the programme in whole or with such modifications as it deems fit, Supplementary Programme. 20. (1) The Board may, prepare and forward a Supplementary programme for the sanction of the Government in such form and before such date as the Government may prescribe and the provisions of section 8 shall apply to such supplementary programme. - 2 i. j; The Board may with the previous approval of the Khadi & Village Industries Board alter the scheme. Transfer of property. Fund of the Board. Application of fund and property. Subventions and loans to the Board. make an alteration in any scheme - so long as the aggregate - of the Commission amount sanctioned to the Scheme is not exceeded. A report of the alteration shall be sent to the Government in such form and within such time as may be prescribed. CHAPTER V FINANCE, ACCOUNTS, AUDIT AND REPORTS

22. The Government of Sikkim 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 limitations as the Government may deem fit for purposes of this Act. (1) (3) (4) The Board shall have its own fund and all receipts of the Board shall be credited thereto, and all payments by the Board shall be met therefrom. The Board may, subject to the provisions of this Act, and the rules made thereunder accept grants, subventions donations and gifts and receive loans from Government, the Khadi and Village Industries Commission. Of India - or a local authority or any body or association, whether incorporation or not, or an individual for all or any of the purposes of this Act. It may also create reserves for irrecoverable losses, and losses in direct trading activities; All moneys belonging to the Fund of the Board shall be deposited in such Bank may be approved by the Government on and at places: where there is, no such Bank, in a Government Treasury or be invested in such securities as may be approved by the Government. The accounts of the Board shall be operated upon by such officers jointly or individually as

J may be authorised by' the Board. 24. by it, 254, All piopérty,fund and other .åsÅeCs orthe Boafd shall be held and applied subject to the provisions and för%thé purposes of the Act. (1.) The Government may; •from time to time; maice, subventions and grants to the Bdardfor 'the purposecof this Agon such terms and •condiCions asvtheGvernment •may determine ein each case: : Ess •t@blishmentæxpenditure of the State Board will be the sole fres- ponsibility Of theÉGovernment. Similarly kit? may •grant sub-we ventions •compensating irrecovérable debts. (2) e The Board- may, from time to , time, with the previous sanction of the, Goveerr,mént and sybjeqt to the provisions, of this Act and such conditions as the Government 'may determine, A)orrow ty sum requfred for- the purposes of,thisr Åct. Provided that the previous sanction of, the Government 'Shall hot cessary to borrow any sum from •the Khadi and. Village Industries Commission, Budget. Supplementary Bu yet. Annual Report, Returns:and reports. (1) (2) (3) The Board shall; by suchedate in each year as may be prescribed, prepare •andasubmit to, the Government for approval. the budget in the prescribed, form financial year, showing thet estimated receipts'and ex?enditure in respect,,of Khadi •and. Villa: ge , Industries, Board respectively,during that financial year. The Board Sha)l. forward;a copy of •the annual, budget to the Khadi and Village 'Industrjes• Commission for inform .tioo; Subject to the, provisions of sub-section (03) and (4) no sum -shall he expended byor onbehalf of the Boavd unless such expenditure is- cpüered by a ,specific provision in the budget approved by the Goyemment .c The Board, may; •within the respective •limits, o! the' budget, sanction any nreappropriation ifröm one _head, of expenditure -to another or from provision made for scheme \$0 that pect-epf another. Provided that no re-appropriation from: the head. "Loan' to any other head of: expenditure and, vice .versa •in the budget shall •J'be•anctioned; by -the Board except' With previous. Industries . Commission. The Board may, within such slimits and subject. t? such conditions' may -be prescribed, •incur expenditure -in excesS of the: limit pro- vided in the budget approved by the Government under any he. of expenditure or in connection with any particular 'cheme so long as/ the aggregate. amount in either budget approved by the Government is not. exceeded

27. The.Board may submit a supplementary budget for the sanction of the Government in such form +nel before such date as may be prescribed, abd •the proyisions: of, Section shall, apply oto such supplementary budgeti (i) (2) (3) (2) (3) The Board shall prepare and forward to the Governmentin such. .manner as maybe prescribed an annual report within;three mohths "from the' end of:the a complete account of .yits activities during the previouSfinancialyear alongwith a copy of thec annual 'tatement -of: accounts referred to -in section 130. Thg Board shall prepare and forwar@ to 'the Khadran-d*Village Industries-Commission an annual report. within three months from the end of the financial year, giving a 'complete account of the funds received byz the Board from the Commission and the activities carried on by the Board 'from A and •out of such fund during the previous financial year .ez The repQFt reqeived by the: Government. under sub-section y (1) shall be laid before-the Sikkim Legislative. Assembly; as- Goon as be, after itis,xeseived by the Government. The Board 'shall furnish Oto the Govei•nmén€ and the Khadi and Village Industries Cömmission •qt such time and in such form and emanner as•xnay •be' prescribed Or as the Govergmént or the Khadi . and Village Industries Commission may require suchxeturns and statemehtS and USucWpartiCulars in, regard to any proposed or exis- ting programme for the promotion and development , of Khadi -and Village IndustrieS asthe Government may, from time to time, Withoufp prejudice to the previsions ot sub-section. the.Boar44 shall, as, soon ese possible after the end of each financ@l year, submit to the Go-verhmenva report in such form and before suclly date 'as -may prescribed, giving a. true and full• acCount Of its" activities,policy and programme during the previous finanCiafyef. Allv 'and particulars furnished by the Board to the Government uråder sub-section. (i) •shall, .aSoon as possible after placed Lon the table of the Sikkim 30. (r) (2) (3) (4) (6) The Board shall maintain proper accounts and other relevant records, and prepare an annåal •statement of account including .the profit andloss accounts •and the balance sheets in such form as may be Prescribed. accounts of the Board shall' be audited by such person as the Governmentanay appoint in this behalf', The Auditors appointed by the Khadi and Village Industries Com- mission -shall have the right to audit and inspect the accounts of the Board pertaining to the funds advanced by the Khadi and Villa- ge 'Industries. Commission. The persons appointed Under sub-section (2) and (3) shall, sin connection with such audit, have such rights, -privileges and au- thority, as•may 'be prescribed and, 'in particular,' shall have the right• toy demand the production of books, . accounts, connected - •vouchers and other, documents and to inspect any of the offices, of the Board. Ther accounts of theA30ard as certified by such •auditor together

with the. audit report thereon shall be forwarded annually to the Government and the Khadi and Village Industries Commission before such date as the, Government may Specify in this behalf. The Board shall comply with such directions as the Government may, after perusal of the report of the auditor, think fit to issue

CHAPTER VI MISCELLANEOUS

Member of Board and Officers servants of Board to be Public servants. Protection of action taken under this Act. Power to make rule," Members of the Board and officers and servants of the Board shall be deemed, when acting or purporting to, act in pursuance of any of the provisions of this Act, to be public servants, meaning of section 2 of Penal Code. - 30. No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or purported to be done by or under this Act. (1) 33. (2) (a) (b) (d) (e) (g) (h) The Government may, by notification in the Official Gazette, make rules to give effect to the provisions of this Act. In particular and without prejudice to the generality of the foregoing powers such rules may provide for or any of the following matters, namely ; the place at which the office of the Board shall be located the term of office of, and the manner of filling casual, vacancies among the members of the Board and the terms and conditions of service of the Chairman, the Vice-Chairman, the Secretary and the other members, of the Board; including the salaries and allowances to be paid to them and travelling and daily allowances to be drawn by them ; the disqualification for membership of the Board and the procedure to be followed for removing a member who is or becomes subject, to any disqualifications ; powers and duties to be exercised and performed by the Chairman and the Vice-Chairman, the conditions subject to which, and the mode in which, contracts may be entered, into by or on behalf of the Board ; constitution of the Standing Finance Committee and other committees the procedure to be followed in the performance of duties by the members of the Board; the powers and duties to be exercised and discharged by the Secretary; the Executive Officer of the Board; (1) the date, by which and the form in which the budget and the supplementary (j) followed for placing the Board in possession of funds and the conditions to be observed in borrowing moneys and in granting loans; (Y) the form and manner in which the accounts of the Board shall be maintained ; the form and manner in which the reports of the Board shall be submitted ; (H) any other matter which is required to be prescribed. The Board, with the previous sanction of the Government (1) 34 • by notification in the Official Gazette, may make regulations not inconsistent with this Act and the rules made thereunder enabling it to perform its functions under this Act. Dissolution of the Board 35. (2) (b) (d) (e). (h) (l) (a) (b) (2) (3) In particular and without prejudice to the generality of the foregoing power, the Government may provide for all or any of the following matters, namely :— the mode and conditions of appointment and service and the scales of pay of officers and servants of the Board other than the Secretary including the payment or travelling and daily allowances in respect of journeys undertaken by such officers and servants the purposes of this Act. the time and place of meetings, of the Board, the procedure to be followed in the transaction of business at such meetings and the quorum necessary for the transaction of such business of committees and the procedure to be followed by such committees in the discharge of their functions ; the delegation of powers and duties to the standing finance committee, Secretary or any employees of the Board the maintenance of minutes of meetings of the Board and the transmission thereof to the Government and the Khadi & Village ; the persons by whom and the manner in which deposits and investments may be made on behalf of the Board; the custody of moneys required for the current expenditure of the Board and investment of not so required ; maintenance of accounts— The Government may, by notification, rescind any regulation made under this Act thereupon, the regulation shall cease to have effect, If at any time the Government is satisfied that the Board has without reasonable cause or excuse, failed in the discharge of its duties or in the performance of its functions imposed on or entrusted by or under this Act; or has abused its powers or circumstances have arisen such that the Board rendered unable, or may be rendered unable, to discharge its duties or perform its functions under this Act, or it is otherwise expedient or necessary to dissolve the Board, the Government may by notification, supersede the Board for such period as may be specified in the notification and declare, that the duties, powers, and functions of the Board shall during the period of its supersession, be discharged, exercised and performed by such person of authority, as may be specified in the notification. Provided the, Government shall before superseding the Board, have reasonable opportunity to show a cause against the proposed action. The Government, before the

expiration—jif the period of supersession, ereconstituté the in accordance with the pro- - yisi9PS ,of seqtiOns 3 and 4. TheoGovei-nmentjindy hake {such incidental and consequential 11 proVisiOns as mayappeáf to them to be necessary gor giving effeåt:to .thé Chis Béction. -Ahyhötificatioii fisted or order made by the Government un- der seetiofik shall net/ be qü&tioned in any civil courts (5) (i) f On •t}w Board being supersede4 under sub-section (1) above, ail: proppty!ies and#undå, Wlâch immediately before the • said dale ',vere the possession of the Board fore ghe,purposes Of this (ii), (iii) (9) all members 'Shall, vacate office as members tof the Board ; and all frights, obligations and liabilities (including any liabilities -under any contract) of *the Board: shall become the •rights, 'Obli- gations and liabilities of the Government. Recovery ofarrears. Power. to write off losses. If any amount.due to. the Foard in accordance with the terms Of a corw 36. tract •or otherwise onany sum payable 'in connection therewith, has hot been paid, the Board may, without prejudice to any other +emedy provided by law, recover. such amount. or- sum in the manner, and in accordance with the provi- yions of the laws in force in Sikkim for recovery of Government dues and Go- vernment revenues. 3-7. ' Thé Board shall be competent to write off losses upto five hundred ru- pees in individualz cases and not exceeding five thousqnd rupees in the aggre- gate in e any financial year in cases falling under any or, allof the following cate- gories loss Of , irrecoverable value of stores or o! •public money due to (a) theft, fraud or such 'other cause, (b) AT' -loss of irrecoverable advance Uther than loans, and dificiency and depreciation in the value of storeS. (c) By Order of the Governor, PRINTED AT , THE0 SIKKIM B. R. PRADHAN, Secretary to the Governrfient of Sikkim Law an&Legislative Department. F 16 (28) LL/77. GOVERNMENT PRESSI

