

## **Assam Khadi and Village Industries Board Act, 1955**

Preamble –

An Act to provide for organizing, developing and regulating village industries in the State of Assam and to constitute a Board to carry out the said object.

Whereas it is necessary to organize, develop and regulate village industries in the State of Assam and to constitute a Board to carry out the said objects;

It is hereby enacted in the Sixth year of the Republic of India as follows:

Act No. XIV of 1955

### **CHAPTER I**

#### **Preliminary**

1. Short title, extent and commencement.

(1) This Act may be called the Assam Khadi and Village Industries Board Act, 1955.

(2) It extends to the whole of the State of Assam.

(3) It shall come into force on such date as the State Government may, by notification in the official Gazette, appoint in this behalf.

2. Definitions- In this Act, unless there is anything repugnant in the subject or context -

(1) "Board" means the Assam Khadi and Village Industries Board, constituted under S. 3.

(2) "The Khadi and Village Industries Commission" means the Commission established under the Khadi and Village Industries Commission Act, 1956.

(3) "Prescribed" means prescribed by rules made under this Act.

(4) (i) "Khadi and Village Industries" means the Industries specified in the Schedule.

(ii) All or any of the industries specified in the Schedule to the Khadi and Village Industries Commission Act, 1956 and includes any other industries by reason of notification or amendment issued by the Central Government under S. 3 of the said Act.

### **CHAPTER II**

#### **Establishment and constitution of the Board**

3. Incorporation of Board.-

(1) With effect from such date as the State Government may, by notification in the official Gazette, appoint in this behalf there shall be established for the purposes of this Act, a Board by name of Assam Khadi and Village Industries Board.

(2) The Board shall be a body corporate having perpetual succession and a common seal and may use and be used in its corporate name and shall be competent to acquire and hold property both movable and immovable and to contract and do all things for the purposes of the Act.

#### 4. Constitution of Board.-

(1) The Board shall consist of such numbers of members as the State Government may appoint. One of such members shall be appointed by the State Government as the Chairman and another as Secretary. In addition to the Chairman and the Secretary, the State Government may appoint another member of the Board as the Vice-Chairman. The Vice-Chairman, if any appointed, the Chairman, the Secretary and other members of the Board shall hold office for such period as the State Government may, by general or special order, direct.

(2) The Vice Chairman, if any appointed, the Chairman, the Secretary, or any other member of the Board may, at any time resign his office by submitting his resignation in writing to the State Government; Provided that resignation shall not effect until it is accepted.

(3) The Vice Chairman, if any appointed, the Chairman, the Secretary or any other member of the Board shall receive such allowances, if any, as may be prescribed.

(4) The allowances to the members shall be paid from the fund of the Board.

4A. Appointment of Chief Executive Officer- The State Government may appoint an officer of its own to act as the Chief Executive Officer of the Board. He shall hold office for such period as the State Government may, by general or special order, direct and unless otherwise directed by the State Government, he shall receive his salary and allowances from the funds of the Board.

4B. Appointment of Financial Adviser and Chief Accounts Officer.- The State Government may appoint a person, not being a member of the Board as the Financial Adviser and Chief Accounts Officer of the Board. He shall hold office for such period as the State Government may, by general or special order direct and unless otherwise directed by the State Government, he shall receive his salary and allowances from the Funds of the Board.

4C. Power to add to the Schedule.- The State Government may, on its own motion or in consultation with the Khadi and Village Industries Commission and the Board, by notification in the official Gazette, add to, or omits from the Schedule any khadi and village industry or alter the description of any khadi and village industry and thereupon the Schedule shall be amended accordingly.

5. Vacancy of member- If the Vice Chairman, appointed if any, or the Chairman or the Secretary or any other member tenders his resignation, the State Government may fill up the consequent vacancy by fresh appointment.

6. Proceedings presumed to be valid and good- No act or proceedings of the Board shall be invalidated merely by reason of any vacancy in its membership on account of resignation, death or removal.

7. Appointment of members of staff of board and conditions of their service -

(1) The Board may appoint such members of the staff, as it may consider necessary, subject to prior approval of Government in the Finance Department.

(2) The remuneration, allowances and other conditions of service of the members of the staff of the Board shall be such as may be determined by the Board.

8. Appointment of Committees.- Subject to any made under S.29, the Board may from time to time appoint one or more committees for the purposes of securing efficient discharge of its functions and in particular for the purpose of securing that the said functions are exercised with due regard to the circumstances and requirements to khadi or any particular village industry. Such Committees may be appointed for any particular area.

8A. Appointment of an Executive committee and a Standing Finance Committee of the Board.-

Notwithstanding anything contained in S. 8, there shall be appointed by the board —

(a) An Executive Committee consisting of seven members of whom five members shall be appointed by the Board and the remaining two shall be nominated by the State Government from amongst the members of the Board; and

(b) Standing Finance Committee consisting of five members of whom three members shall be appointed by the Board from amongst the members of the Board, and the remaining two shall be filled in by the State Government by making nomination from person who by their wide financial experience are fitted to serve on the Standing Finance Committee.

9. Meeting of Board - The board shall meet and shall, from time to time, make arrangements with respect to the date, time, notice, management and adjournment of its meetings as it thinks fit. Such meeting shall be held at least once in every three months.

10. Power to make contracts -

(1) The Board may enter into and perform all such contracts, as it may consider necessary or expedient for carrying out any of the purposes of this Act.

(2) Every contract made by the Secretary on behalf of the Board shall, subject to the provisions of this section, be entered into in such manner and from as may be prescribed.

(3) A contract not executed in the manner provided in this section and the rules made there under shall not be binding on the Board.

10A. Powers and Functions of the chairman.- The Chairman of the Board shall preside over the meeting of the Board and shall take decision when the Board or the Executive Committee is not in session.

10B. Powers and functions of Vice Chairman.- The Vice Chairman, if any appointed shall, in the absence of the Chairman, exercise all the powers of the Chairman or such powers as may be delegated to him by the Chairman.

10C. Powers and functions of the Secretary - Subject to the powers and responsibilities entrusted to the Chief Executive Officer, the Secretary, shall —

- (i) Enter into every contract on behalf of the Board under S. 10 of the Act;
- (ii) Be responsible for all matters of the Board including general supervision for the implementation of the Board's plan and programmed;
- (iii) Carry on correspondence of the Board with the State Government and the Khadi and Village Industries Commission.

10D. Powers and functions of the Chief Executive Officer of the Board - Subject to the general control of the Board, the Chief executive Officers of the board shall —

- (i) Be responsible for the implementation of the plan and programmed of the Board;
- (ii) Be responsible administration of the Board's funds and maintenance of accounts including preparation of the budget of the Board;
- (iii) Submit periodical progress reports, receipt and expenditure statements and balance sheets to the Board and the Government;
- (iv) Be the controlling officer of the members of the Staff of the Board; and
- (v) Have the right to attend every meeting of the Board and its Committees but shall not have the right to vote thereof.

10E. Powers and Functions of the Executive Committee -

- (1) The functions of the Executive Committee shall be able to execute the decision of the Board and to take such urgent and emergency decision as may be necessary in anticipation of approval of the Board.
- (2) The Board may entrust the responsibility for successful furtherance of different industries to the members of the Executive Committee individually, who in turn shall formulate schemes and make suitable recommendations for development of industries in their respective charges, for consideration by the Executive Committee.

10F. Powers and functions of Standing Finance Committee - Without prejudice to anything contained in Ss. 11 and 12 of this Act, the factions of the Standing Finance Committee shall be —

- (i) To render except financial advice including its proper administration of the Board's funds

including its proper utilization;

(ii) To scrutinize and to give its comments and expert advice on the following matters, namely:

(a) all annual and supplementary budgets of the Board;

(b) all new schemes of the Board;

(c) any proposal for entertainment of the members of the Staff of the Board that may be necessary after the commencement of the Assam Khadi and Village Industries Board (Amendment) Act, 1960; and,

(d) any other financial matter which the Board may, by general or special order, direct to be referred to the Standing Finance Committee for its scrutiny, comment and expert advice.

10G. Powers and functions of the Financial Adviser and Chief Accounts Officer of the Board -

Subject to the general control of the Board, the Financial Adviser and Chief Accounts Officer of the Board shall —

(i) advise the Board and its Committees on all matters relating to receipts and expenditure of the Board;

(ii) assist the Chief Executive Officer in the maintenance of accounts of the Board and in the preparation of its budget and other financial statements and returns. He shall also assist the Chief Executive Officer in the proper audit on accounts of the Board;

(iii) have the right to record his views on every proposal involving expenditure from the funds of the Board and shall have the authority to advise the Board and its Committees that a particular decision or proposal affecting the financial policy and directions of the State Government and/ or the Khadi and Village Industries Commission should be referred to the State Government and/ or the Khadi and Village Industries Commission, as the case may be, and

(iv) have the right to attend every meeting of the Board and its Committees, but shall not have the right to vote thereof. He shall also have the right to refer to the Board and its Committees any matter having financial implication, which in his opinion ought to be brought to their notice.

10H. Dissolution of the Board -

(1) The State government may, by notification in the official Gazette, direct that the Board shall be dissolved from the date specified in the notification; and thereupon the Board shall be deemed to be dissolved accordingly and the Executive Committee, Standing Finance Committee and any other Committee appointed under this Act shall cease to function.

(2) On and from the said dates —

(a) all properties and funds, which immediately before the said date in the possession of the Board for the purpose of this Act shall vest in the State Government;

- (b) all members shall vacate office as members of the Board; and
- (c) All rights, obligations and liabilities (including any liability under any contract) shall be rights, obligations and liabilities of the State government.

## CHAPTER III

### Functions and powers of the Board

#### 11. Functions of the Board -

(1) It shall be the duty of the Board to organise, develop and regulate khadi and village industries and perform such functions as may be prescribed from time to time.

(2) Without prejudice to the generality of the provisions of sub-S. (1), the Board shall also in particular discharge and perform all or any of the following duties and functions, namely:

(a) To start, encourage, assist and carry on Khadi and Village Industries and to carry on trade or business in such industries and to deal with matters incidental to such trade or business;

(b) To help the people by providing them with work in their homes and to give them monetary help;

(c) To encourage establishment of co-operative societies for Khadi and Village Industries;

(d) To conduct training centers and to train people thereof with a view to equipping them with the necessary knowledge for starting or carrying on Khadi and Village Industries;

(e) (i) To manufacture tools and implements required for carrying on Khadi and Village Industries;

(iii) to arrange for the supply of raw materials and tools required for the Khadi and Village Industries;

(iv) to sell and to arrange for the sale of the products of the said industries.

(f) To arrange for publicity and popularizing of finished products of Khadi and Village Industries by opening stores, shops, emporium or exhibitions or other similar measures;

(g) To endeavour public opinion and to impress upon the public the advantage of patronizing the products of Khadi and Village Industries;

(h) to seek and obtain advice and guidance of experts in Khadi and Village Industries;

(i) To undertake obtain advice and guidance of experts in Khadi and Village Industries;

(j) To undertake and encourage research work in connection with Khadi and Village Industries and to carry on such activities as are incidental and conducive to the objects of this Act;

(k) To sanction loans to individuals and institutions not exceeding such limits as may be prescribed in order to develop, encourage and assist Khadi and Village Industries. The loan shall be secured and repaid in the prescribed manner and upon such terms and conditions as may be specified by the order granting it. In default of payment within the specified date, the loan together

with the interest due shall be recoverable from the loan as an arrear of loan revenue;

(l) To discharge such duties and to perform such other functions as the State Government may direct for the purpose of carrying out the objects of this Act.

12. General Powers of the Board - The Board shall for the purposes of carrying out its function under this Act have the following powers;

(i) to acquire and holds such movable and immovable property as it deems necessary and to lease, sell or otherwise transfer any such property;

(ii) to incur expenditure and undertake work in any area in the State for the framing and execution of such scheme as it may consider necessary for the purpose of carrying out the provisions of this Act or as may be entrusted to it by the State Government subject to the provisions of this Act and the rules made there under;

(iii) to borrow money from the Khadi and Village Industries Commission and also to hypothecate or mortgage properties as securities gains the loans;

(iv) to write off minor irrecoverable losses such as those caused by theft, fraud, etc.

#### CHAPTER IV

Preparation and submission of programmes

13. Preparation and submission of annual programme -

(1) In each year, on such date as may be fixed by the Khadi and Village Industries Commission, the Board shall prepare and forward to the Khadi and Village Industries Commission, a programme of works as approved by the State Government.

(2) The programme shall contain-

(a) Such particulars of the scheme which the Board proposes to execute whether in part or in whole during the next year;

(b) Particular of any works undertaken which the Board proposes to organise during the next year for the purposes of carrying out its functions under this Act; and

(c) Such other particulars as may be prescribed.

14. Sanction of programme - The Khadi and Village Industries Commission, may approve and sanction the programme in whole or with such modifications as it deems fit; Provided that the Board shall be competent to make minor alteration in the pattern of the schemes with the prior approval of the Khadi and Village Industries Commission.

15. Supplementary programme.- The Board may prepare and forward a supplementary programme as approved by the State Government for the sanction of the Khadi and Village Industries Commission, in such form and before such date as the Khadi and Village Industries

Commission may prescribe and the provisions of S. 13 shall apply to such supplementary programme.

## CHAPTER V

Finance, accounts, audit and debts

16. Transfer of property - The State Government may transfer to the Board, building, lands or any other property whether movable or immovable for use and management by the Board on such condition and limitations as the State Government may deem fit for the purposes of this Act.

17. Expenditure etc. till the Board is established -

(1) All debts or expenditures incurred, all contracts entered into and all matters and things engaged to be done by, with or for the Assam Khadi and Village Industries Board, established by Government Notification No. SG 162/52/19, dated 21st July 1953, before and up to date of the establishment of the Board under this Act shall be deemed to have incurred, entered into, or engaged to be done by, with or for the Board; and all suits and legal proceedings instituted or which may be instituted by or against the Assam Khadi and Village Industries Board shall be continued or instituted by or against the Board.

(2) All assets of the Assam Khadi and Village Industries Board referred to in sub-S. (1) shall upon the establishment of the Board vest in the Board for the purposes of this Act.

18. Funds of Board -

(1) 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 there from.

(2) The Board may accept grants, subventions, donations and gift and receive loans from Government or Khadi and Village Industries Commission or local authority or any body or association whether incorporated or not, or an individual for all or any of the purposes of this Act.

(3) All money belonging to the fund of the Board shall be deposited in such manner as the State Government may by a special or general order direct.

(4) The accounts of the Board shall be operated upon by such officers jointly or individually as may be authorized by the Board.

19. Application of land and property - All property, fund and other assets of the Board shall be held and applied by its subject to the provisions and for the purposes of this Act.

20. Budget - The Board shall, on such date as may be fixed by the Khadi and Village Industries Commission prepare and submit to the Khadi and Village Industries Commission the budget as approved by the State Government for the next financial year showing estimated receipts and



expenditure on capital and revenue accounts according to the programme and the schedule of the stock.

21. Sanction of budget - The Khadi and Village Industries Commission may sanction the budget submitted to it with such modifications, as it deems proper: Provided that the Board shall also be competent to make minor re-appropriations from one head to another after the annual budget and the programmes are approved by the State Government and sanctioned by the Khadi and Village Industries Commission subject to the overall amounts of grant and loans remaining unaltered.

22. Supplementary budget - The Board may submit a supplementary budget as approved by the State Government for the sanction of the Khadi and Village Industries Commission may prescribe, and the provisions of S. 21 shall apply to such supplementary budget.

23. Annual Report - The Board shall prepare and forward to the Khadi and Village Industries Commission and the State Government in such manner as may be prescribed, an annual report within three months from the end of a financial year. Every such report shall be laid before the State Legislature as soon as may be after it is received by the State Government.

24. Further reports, statistics and returns - The Board shall before such date and at such intervals and in such manner as the Khadi and Village Industries Commission may, from time to time, direct to submit to the Khadi and Village Industries Commission a report on such matters and such statistics and also such return as the Khadi and Village Industries Commission, may direct.

25. Accounts and audit -

(1) The Board shall maintain proper accounts and other relevant records prepare an annual statement of accounts, including the profit and loss account and the balance sheet in such form as may be prescribed by the State Government in consultation with the Accountant General of Assam and Nagaland.

(2) The Board shall maintain a proper system for the internal audit of its accounts.

(3) The accounts of the Board shall be audited by the Accountant General of Assam and Nagaland, at such intervals as may be prescribed by him and expenditure incurred by him in connection with such audit shall be payable by the Board to the Accountant General of Assam and Nagaland.

(4) The Accountant General of Assam and Nagaland shall have the rights, privileges and authority in connection with such audit as he has in connection with the audit of Government accounts and in particulars shall have the rights to demand production of books, accounts, connected vouchers

and other documents and papers and to inspect any of the offices of the Board.

(5) The accounts of the Board as duly certified by the Accountant General, Assam and Nagaland together with the audit report thereon shall be forwarded annually to the State Government and the Government may issue such instructions to the Board in respect thereof as it deems fit and the Board shall comply with such instructions.

(6) The State Government shall —

(a) Cause the accounts of the Board together with the audit report thereon forward to it under sub S. (5) To be laid annually before the State Legislature; and

(b) Cause the accounts of the Board to be published in the manner as may be prescribed by the State Government and place copies thereof on sale at a reasonable price.

## CHAPTER VI

### Miscellaneous

26. Direction of the State Government. -

(1) In the discharge of its functions, the Board shall be guided by such instructions on questions of policy as may be given to it by the State Government.

(2) If any dispute arises between the State Government and the Board as to whether a question is or is not a question of policy the decision of the State Government shall be final.

27. Members of Board and members of staff of Board to be public servants - Members of the Board and members of the staff shall be deemed when acting or purporting to act in pursuance of any of the provisions of this Act to be public servants within the meaning of S. 21 of the Indian Penal Code.

28. Protection of action taken under this Act - No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or purported to be done under this Act.

29. Rules - The Assam Khadi and Village Industries Board may, by notification in the official Gazette, make rules subject to approval of the State Government for carrying out the purposes of this Act.

30. Regulations -

(1) The Board may make regulations for its internal administration consistent with the Act and the rules made thereunder and notify them in the official Gazette.

(2) In 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;
- (b) remuneration, allowances and other conditions of service of members of the staff of the Board;
- (c) functions and duties of the members of the staff of the Board.
- (d) functions of the committees and the procedure to be followed by such committees in the discharge of their functions.

31. Saving - Nothing in this Act shall be deemed to apply in any industry declared to be a schedule under the industries under Industries (Development and Regulations) Act, 1951, or to affect any of the provisions of the said Act.

## SCHEDULE

### Name of Industries

1. Khadi.
  2. Village Oil Industries.
  3. Soap making with non-edible oil.
  4. Paddy husking.
  5. Palm Gur Industry.
  6. Gur and Khandeshri
  7. Leather Industry.
  8. Woolen Blankets.
  9. High grade handmade paper.
  10. Bee-keeping.
  11. Cottage Match Industry.
  12. Carpentry and Blacksmith Industry.
  13. Village Pottery Industry.
  14. Limestone Industry.
  15. Gas Plant Industry.
  16. Fibre Industry.
  17. Bamboo and Cane Crafts Industry.
  18. Agarbatti.
  19. Ceramic Industry.
  20. Textile Industry.
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