---1---

The Goa Khadi and Village Industries Board Act, 1965

(No. 9 of 1965) [4th June, 1965]

An Act to provide for the constitution, establishment and incorporation of a Khadi and Village Industries Board in the Union Territory of Goa, Daman and Diu and for certain matters connected therewith.

Be it enacted by the Legislative Assembly of Goa, Daman and Diu in the Sixteenth Year of the Republic of India as follows:

CHAPTER I

Preliminary

1.Short title, extent and commencement. —*(1)* This Act may be called the Goa Khadi and Village Industries Board Act, 1965.

(2)It extends to the whole of the Union Territory of Goa, Daman and Diu.

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

2.Definitions.— In this Act, unless the context otherwise requires: —

(a)"Board" means the Goa, Daman and Diu Khadi and Village Industries Board, established under section 3.

(b)"Chairman" means Chairman of the Board.

(c)"Government" means the Government of the Union Territory of Goa, Daman and Diu.

(d)"Khadi and Village Industries Commission" means the Khadi and Village Industries Commission established under section 4 of the Khadi and Village Industries Commission Act, 1956 (Central Act 61 of 1956).

(e)"Khadi" means any cloth woven on handlooms in India from cotto n, silk or woollen yarn handspun in India or from a mixture of any two or all of such yarns; and certified as Khadi by the Khadi and Village Industries Commission Act, 1956.

---2---

(f)"Member" means member of the Board.

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

(h)"Regulations" means regulations made by the Board under this Act.

(i)"Vice-Chairman" means Vice-Chairman of the Board.

(j)"Village Industries" means:—

(i)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 Central Government under section 3 of the said Act; and

(ii)Any other industry specified in this behalf by Government by notification in the Official Gazette in consultation with the Khadi and Village Industries Commission and the Board.

CHAPTER II

Establishment, incorporation and constitution of the Khadi and Village Industries Board

(3).Establishment and incorporation of Board. (1) With effect from such date asthe Government may by notification appoint in this behalf, there shall be established a Board to be called the Goa, Daman and Diu Khadi and Village Industries Board. (2) The Board shall be a body corporate having perpetual succession and a common seal and may sue and be sued in its corporatenameandshallbecompetenttoacquire,holdand dispose of property and to contract and do all things necessary for the purpose of this Act.

(4).Constitution of Board.—(1) The Board shall consist of 1["nine members"]. Themajority of the members shall be non- officials. Only such non -officials as have shown an active interest in the production and development of Khadi or in the development of village industries shall be appointed as members. The appointment of all the members shall however, be made by Government in consultation with the Khadi and Village Industries Commission.

---3---

(2)One of the members of the Board shall be appointed by Government 1["in consultation with the Khadi and Village Industries Commission"] as the Chairman of the Board.

(3)Government may appoint 1["in consultation with the Khadi and Village Industries Commission"] one of the other members as the Vice-Chairman who shall exercise such of the powers and perform such of the duties of the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(4)Government shall after consultation with the Board 1["and the Khadi and Village Industries Commission"] appoint a non- official member other than the Chairman and Vice-Chairman to be the Secretary of the Board.

(5)In the event of any vacancy in the office of a member of the Board by reason of death, resignation or removal, such vacancy shall be filled

in by appointment by Government and the member appointed in such vacancy shall hold office for the unexpired term of his predecessor.

(6)The Chairman, Vice-Chairman, Secretary and other members of the Board shall receive such allowances as may be prescribed and all such allowances shall be paid from the fund of the Board.

5.Financial Adviser of the Board.—(1) Government shall appoint [1]["in consultationwith the Khadi and Village Industries Commission"] a person not being a member to be the Financial Adviser to the Board.

(2) The term of office, the conditions of service and the functions of the Financial Adviser shall be such as may be prescribed in consultation with the Khadi and Village Industries Commission.

6.Resignation of office by Member.— Any member may resign his office by givingnotice in writing to Government and on such resignation being notified in the Official Gazette by Government, shall be deemed to have vacated his office.

7.**Proceedings presumed to be good and valid.—** No Act or proceeding of a Boardshall be questioned or invalidated merely by reason of any vacancy in its membership on account of resignation, death or otherwise, or by reason of any defect in the constitution thereof.

---4---

8.**Temporary Association of persons with the Board for particular purposes.— (1).** The Board may associate with itself in such manner and for such purposes as may be determined by regulations made under this Act, any persons whose assistance or advice it may desire in complying with any of the provisions of this Act.

(2)A person associated with the Board under sub-section (1) for any purpose shall have the right to take part in the discussion of the Board relevant to that purpose, but shall not have the right to vote and shall not be a member for any other purpose.

(3)Government may, by order, depute one or more officers of the Government to attend any meeting of the Board and to take part in the discussions of the Board but such officer or officers shall not have the right to vote.

9.Meetings of the Board.— *(1)* The Board shall meet at such timesandplacesandshall,subjecttotheprovisionsof sub- section **(2)** to (*4)* observe such rules of procedure in regard to transaction of business at its meeting (including the quorum at meetings) as may be provided by

regulations made by the Board under this Act. Provided that the Board shall meet at least once in every two months.

*(2)*The Chairman may, whenever he thinks fit, call special meetings of the Board.

*(3)*The Chairman or in his absence the Vice-Chairman or if he is also absent, such member as may be chosen by the members present from among themselves shall preside at a meeting of the Board.

*(4)*All questions at a meeting of the Board shall be decided by the majority of the votes of the members present and voting in the case of an equality of votes, the Chairman or in his absence the person presiding, shall have a second or casting vote.

*(5)*The proceedings of the meeting of the Board shall be forwarded to Government and the Khadi and Village Industries Commission within fifteen days of every meeting.

10.Terms of Office and conditions of service of Chairman, Vice-Chairman, Secretary and other members of Board.— The term of office and the terms andconditions of service of the Chairman, the Vice-Chairman, the Secretary, and other members of the Board shall be such as may be prescribed.

---5---

11.Powers and Duties of the Secretary.— The Secretary shall exercise such powersand discharge such duties as may be prescribed or as may, from time to time, be delegated to him by Government or by the Chairman.

12.Officers and servants of Board and conditions of their services.—(1) (*a*) TheBoard shall appoint an Executive Officer to manage the affairs of the Board.

*(b)*The functions, duties and powers of the Executive Officer shall be such as may be fixed by the Board, with the prior approval of Government.

*(c)*The Executive Officer may be a Government servant whose services are placed at the disposal of the Board by Government and if he is a Government servant his remuneration, allowances and other conditions of service shall be such as may be fixed by Government.

(2)The Board may appoint such other officers and servants as it may consider necessary for the efficient discharge of its functions:

Provided that the Board may delegate its powers in this behalf to the Chairman or other members or officers of the Board.

(3)Subject to the provisions of clause (c) of sub- section (1), the remuneration, allowances and other conditions of service of the officers and servants of the Board shall be such as may be determined by regulations.

13.Standing Finance Committee.—The Board may constitute from among themembers of the Board a Standing Finance Committee to exercise such powers and perform such functions relating to finances of the Board as may be laid down by Regulations made by the Board.

14.Appointment of other Committees.—Subject to any rules made in this behalf,the Board may from time to time, appoint one or more Committees for the purposes of securing the efficient discharge of its functions and in particular for the purposes of securing that the functions are discharged with due regard to the circumstances and requirements of Khadi or any particular Village Industry. Such Committees may be appointed for any particular areas.

---6---

CHAPTER III

Functions and Powers of the Board

15.Functions of Board.—(1) It shall be the duty of the Board to encourage, organise,develop and regulate Khadi and Village Industries and perform such functions as Government may prescribe, from time to time.

(2)Without prejudice to the generality of the provisions of sub -section (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 in the matters incidental to such trade or business;

(b)to help the people by providing them with work in their homes and to give loans and other form of monetary help to individuals or societies or institutions on such terms as may be prescribed;

(c)to encourage establishment of Co-operative Societies for Khadi and Village Industries;

(d).to conduct training centres and to train people thereat 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 and to manufacture the products of such industries,

(ii)to arrange for the supply of raw materials and tools and implements required for the said purposes, and

(iii)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, emporiums or exhibitions and to take similar measures for the purpose;

(g)to endeavor to educate public opinion and to impress upon the public the advantages of patronizing the products of Khadi and Village Industries;

(d)to seek and obtain advice and guidance of experts in Khadi

---7---

and Village Industries;

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

16.General powers of the Board.— 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 as it deems necessary and to lease, sell or otherwise transfer any such property:

Provided that any lease, sale or other transfer to any person or authority other than the Khadi and Village Industries Commission of any immovable property belonging to the Board shall be null and void unless it is sanctioned by Government.

(ii)to incur expenditure and undertake any work in any area within its jurisdiction 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 as may be entrusted to it by Government.

17.**Powers 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 shall be made on behalf of the Board by its Chairman:

Provided that the Chairman may, by an order in writing, delegate his powers in this behalf to the Vice-Chairman or Secretary.

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

(4)A contract not executed in the manner provided in this section and the rules made thereunder, shall not be binding on the Board.

18. **Power of the Khadi & Village Industries Commission to give directions.—**In the performance of its functions under this Act, the Board shall be bound by such directions as the Khadi and Village Industries Commission may give to it from time to time.

---8---

CHAPTER IV

Preparation and submission of Programme

19.**Preparation and submission of programmes.—**(*1*) In each year, on such date as may be fixed by Government, the Board shall prepare and forward to Government a programme of work.

*(2)*The programme shall contain:—

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

*(b)*particulars of any work or undertaking which the Board proposes to execute during the next year for the purposes of carrying out its functions under this Act; and

(c)such other particulars as may be prescribed.

20.Sanction of programme.—Government may in consultation with the Khadi and Village Industries Commission approve and sanction the programme in whole or with such modifications asit deems fit.

21.Supplementary programme.—The Board may prepare and forward a supplementary programme for the sanction of Government in such form and before such date as Government may prescribe and the provisions of section 20 shall apply to such supplementary programme.

22.Power of Board to alter scheme.—The Board may with the previous approval of the Khadi and Village Industries Commission make any alteration in any scheme so long as the aggregate amount sanctioned for the scheme is not exceeded. A report of the alteration shall be sent to Government in such form and within such time as may be prescribed.

CHAPTER V

Finance, Accounts, Audit and Reports

23.Transfer of Property.—Government 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 Government may deem fit for the purposes of this Act.

---9---

24.Funds of the Board.— 1["(1) The Board shall have two separate funds to be called the Khadi Fund and the Village Industries Fund and all monies received by the Board for the development of Khadi or Village Industries and all receipts from Khadi and Village Industries shall be credited 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:

Provided, however, that if at any time, the amount available in either of the two funds referred to above, excluding gifts,grants, donations or benefactions is in excess of the requirements of that fund and the amount available in the order fund is insufficient to meet the requirements of that , the Board may, with the previous approval of Government, transfer from the first mentioned fund the excess amount or such part thereof as may be necessary to the other fund".]

(2)The Board may accept grants, subventions, donations and gifts and receive loans from Government or a local authority or anybody 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 1[funds] of the Board shall be deposited in the State Bank of India or with the agents of the State Bank of India or where there is neither an office of the State Bank of India nor an agent of the State Bank of India, in a Government Treasury or be invested in such securities as may be approved by the Government.

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

25.Application of fund and property.—All property, fund and other assets of the Board shall be held and applied by it subject to the provisions and for the purposes of this Act.

26.Subventions and loans to the Board.—(1) Government may, from time to time, make subventions and grants to the Board for the purpose of this Act on such terms and conditions as Government may determine in each case.

---10---

(2) The Board may, from time to time, with the previous sanction of Government and subject to the provisions of this Act and such conditions as Government may determine, borrow any sum required for the purposes of this Act:

Provided that the previous sanction of Government shall not be necessary to borrow any sum from the Khadi and Village Industries Commission.

27.(1) The Board shall, by such date in each year as may be prescribed prepare and submit to Government for approval 1["two separate budgets in the prescribed form for the next financial year, to be called the Khadi Budget and the Village Industries Budget"] showing the estimated receipts and expenditure in respect of Khadi and Village Industries respectively during that financial year. The Board shall forward a copy of the budget to the Khadi and Village Industries Commission for information and remarks if any.

(2) Subject to the provisions of sub-sections (3) and (4) no sum shall be expended by or on behalf of the Board unless such expenditure is covered by a specific provision in the budget approved by Government.

1[(3) The Board may within the respective limits of the Khadi Budget and the Village Industries Budget sanction re-appropriation from one Head of expenditure to another or from a provision made for one scheme to that in respect of another, but subject to the provisions of the proviso to sub-section (1) of section 24, in no case shall a re-appropriation of funds be made from the Khadi Budget to the Village Industries Budget, or from the Village Industries Budget to the Khadi Budget:

Provided that no re-appropriation from the head "Loan" to any other head of expenditure and *vice versa* in the budget shall be sanctioned by the Board except with the previous approval of Government and the Khadi and Village Industries Commission].

(5)The Board may within such limits and subject to such conditions as may be prescribed incur expenditure in excess of the limit provided in the budget approved by Government under any head of expenditure or in connection with any particular scheme so long as the aggregate amount in either budget approved by Government is not exceeded.

---11---

28.Supplementary Budget.— The Board may submit a supplementary budget for the sanction of Government in such form and before such date

as Government may prescribe and the provisions of section 27 shall apply to such supplementary budget.

29.Annual Report.—(1) The Board shall prepare and forward to Government in such manner as may be prescribed an annual report within three months from the end of the financial year giving a complete account of its activities during the previous financial year along with a copy of the annual statement of accounts referred to in section 31.

(2) The Board shall prepare and forward to the Commission an annual report within three months from the end of the financial year giving a complete account of the funds received by the Board from the Commission and the activities carried on by the Board from and out of such fund during the previous financial year.

(3) The report received by Government under sub-section (1) shall be laid before the Goa, Daman and Diu Legislative Assembly as soon as may be after it is received by Government.

30.Returns and Reports.— (1) The Board shall furnish to Government and the Khadi and Village Industries Commission at such time and in such form and manner as may be prescribed or as Government or the Khadi and Village Industries Commission may direct, such returns and statements and such particulars in regard to any proposed or existing programme for the promotion and development of Khadi and Village Industries as Government [1]["or the Khadi and Village Industries Commission"] may, from time to time require.

(2)Without prejudice to the provisions of sub-section (1), the Board shall, as soon as possible after the end of each financial year, submit to Government a report in such form and before such date as may be prescribed, giving a true and full account of its activities, policy and programme, during the previous financial year.

(3)All returns, statements and particulars furnished by the Board to Government under sub-section (1) shall, as soon as possible after they are so furnished be placed on the table of the House of the Legislature.

31.Accounts and Audit.—(1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the profit and loss account and the balance

sheets in such form as may be prescribed.

(2)The accounts of the Board shall be audited by such persons as Government may appoint in this behalf.

(3)The Auditors appointed by the Khadi and Village Industries Commission shall have the right to audit and inspect the accounts of the Board pertaining to the funds advanced by the Khadi and Village Industries Commission.

(4)The person appointed under sub-section (2) shall, in connection with such audit, have rights, privileges and authority, as may be prescribed and in particular, such auditor shall have the right to demand the production of books, accounts, connected vouchers and other documents and to inspect any of the offices of the Board. (5)The accounts of the Board as certified by such auditor together with the audit report thereon shall be forwarded annually to Government and the Khadi and Village Industries Commission before such date as Government [1]["or the Khadi and Village Industries Commission"] may specify in this behalf.

(6)The Board shall comply with such directions as Government [1]["or the Khadi and Village Industries Commission"] may, after perusal of the report of the auditor think fit to issue.

CHAPTER VI

Miscellaneous

32.Members of Board and Officers and Servants of Board to be public servants.— 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 within the meaning of section 21 of the Indian Penal Code.

33.Protection of action taken under this Act.— 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.

34.Power to make rules.—(1) Government may, by notification make rules to give effect to the provisions of this Act.

(2)In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:

---13---

(a)the place at which the office of the Board shall be located;

(b)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, 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;

(c)the disqualifications of membership of the Board and the procedure to be followed for removing a member who is or becomes subject to any disqualifications;

(d)powers and duties to be exercised and performed by the Chairman and the Vice--Chairman;

(e)the conditions subject to which, and the mode in which, contracts may be entered into by or on behalf of Board;

(f) constitution of the Standing Finance Committee;

(g)the procedure to be followed in the performance of functions by members of the Board;

(h)the powers and duties to be exercised and discharged by the Secretary, the Financial Adviser and the Executive Officer of the Board;

(i)the date by which and the form in which the budget and the supplementary budget shall be prepared and submitted in each year under sections 27 and 28;

(j)the procedure to be followed for placing the Board in possession of funds;

(k)the procedure to be followed and the conditions to be observed in borrowing and in granting loans;

(1)the form and manner in which the accounts of the Board shall be maintained under section 31;

(m)the form and manner in which the returns, reports or statements shall be submitted under section 30, and

(n)any other matter which has to be, or may be, prescribed.

(3)All rules made and all notifications issued under this Act shall, as soon as possible after they are made or issued, be placed

---14---

on the table of the House of the Legislature and shall be subject to such modification by way of amendment or repeal as the Legislature may make either in the same session or in the next session.

35.Power to make regulations.— (1) The Board may, with the previous sanction of Government, by notification, make regulations not inconsistent with this Act and the Rules made there under,for enabling it to perform its functions under this Act.

(2)In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:

(a)the terms and conditions of appointment and service andthe scales of pay of officers and servants of the Board other than the Secretary including the payment of travelling and daily allowances in respect of journeys undertaken by such officers and servants for the purposes of this Act;

(b)the time and place of meetings of the Board, the procedure to be followed in regard to transaction of business at such meetings and the quorum necessary for the transaction of such business at a meeting;

(c)functions of committees and the procedure to be followed by such committees in the discharge of their functions;

(d)the delegation of powers and duties to the standing finance committee, secretary or any employee of the Board;

(e)the maintenance of minutes of meetings of the Board and the transmission of copies thereof to Government and the Khadi and Village Industries Commission;

(f)the persons by whom and the manner in which payments, deposits and investments may be made on behalf of the Board;

(g)the custody of moneys required for the current expenditure of the Board and investment of moneys not so required;

(h)the maintenance of accounts.

1["(3) Government may, by notification, modify or rescind any regulation made under that section, and thereupon, the regulation shall stand modified accordingly, or cease to have effect"].

---15---

36.Dissolution of the Board.—(1) If at any time Government in consultation with the Khadi and Village Industries Commission are satisfied that:

(b)the Board has, without reasonable cause or excuse, made default in the discharge of its duties, or in the performance of its functions, imposed or entrusted by or under this Act, or exceeded or abused its powers; or

(c)circumstances have so arisen that the Board is rendered unable, or may be rendered unable, to discharge its duties or perform its functions under this Act, or

(d) it is otherwise expedient or necessary to dissolve the Board;

Government may, by notification, dissolve 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 dissolution, be

discharged, exercised and performed, by such person or authority, as may be specified in the notification:

Provided that Government shall, before dissolving the Board, give a reasonable opportunity to it to show cause against the proposed action.

(2)Government shall, before the expiration of the period of dissolution, reconstitute the Board in accordance with the provisions of section 3 and 4.

(3)Government may make such incidental and consequential provisions as may appear to them to be necessary for giving effect to the provisions of this section.

(4)Any notification issued or order made by Government under this section shall not be questioned in any Civil Court.

(5)On the Board being dissolved under sub-section (1):

(i)all funds and other properties vested in the Board shall vest in Government; and

(ii)all liabilities, legally subsisting and enforceable against the Board shall be enforceable against Government to the extent of the funds and properties vested in Government under clause (i).

---16---

37.Recovery of arrears.— If any amount due to the Board in accordance with the terms of a contract or otherwise or any sum payable in connection therewith, has not been paid, the Board may, without prejudice to any other remedy provided by Law, recover such amount or sum as arrears of land revenue.

38.Power to write off losses.— The Board shall be competent to write off losses upto Rs. 500/- in individual cases and not exceeding Rs. 5,000/- in the aggregate in any financial year in cases falling under any or all of the following categories:

(a)loss of irrecoverable value of stores or of public money due to theft, fraud or such other causes;

(b)loss of irrecoverable advance other than loans; and

(c)deficiency and depreciation in the value of stores.

Secretariat, P. B. VENKATSUBRAMANIAN

Panjim, Secretary to the Government of

June 8, 1965. Goa, Daman and Diu.