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GOVERNMENT OF WEST BENGAL

LAW DEPARTMENT

Legislative

West Bengal Act XIV of 1959

THE WEST BENGAL *KHADI* AND VILLAGE
INDUSTRIES BOARD ACT, 1959.

[*Passed by the West Bengal Legislature.*]

[Assent of the Governor was first published in the *Calcutta Gazette, Extraordinary*, of the 29th October, 1959.]

[29th October, 1959.]

An Act to provide for the establishment of a Board for the organisation, development and regulation of khadi industries and village industries in the State of West Bengal and certain matters connected therewith.

WHEREAS it is expedient to provide for the establishment of a Board for the organisation, development and regulation of *khadi* industries and village industries in the State of West Bengal and certain matters connected therewith;

It is hereby enacted in the Tenth Year of the Republic of India, by the Legislature of West Bengal, as follows:—

1. (1) This Act may be called the West Bengal *Khadi* and Village Industries Board Act, 1959.

(2) It extends to the whole of West Bengal.

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

Short
title,
extent and
commen-
cement.

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

Defini-
tions.

(a) “the Board” means the West Bengal *Khadi* and Village Industries Board established under section 3;

(b) “*khadi*” means any cloth, woven on handlooms in India from cotton, silk or woollen yarn hand-spun in India or from a mixture of any two or all of such yarns;

(c) “prescribed” means prescribed by rules made under this Act;

(d) “village industries” means the industries specified in the Schedule and includes such other industries as the State Government may, from time to time, by notification in the *Official Gazette*, specify in this behalf in consultation with the Board.

*Price—Indian, 12 nP.; English, 3d.

2 *The West Bengal Khadi and Village Industries Board Act, 1959.*

[West Ben. Act

(Sections 3—7.)

Establish-
ment of
the Board.

3. (1) As soon as may be, after the commencement of this Act, a Board, to be called the West Bengal *Khadi* and Village Industries Board, shall be established by the State Government for the purposes of this Act.

(2) The Board shall be a body corporate having perpetual succession and a common seal and may, by the said name, sue and be sued.

Constitu-
tion of the
Board.

4. (1) The Board shall consist of such number of members not exceeding fifteen, as the State Government may, by notification in the *Official Gazette*, appoint, of whom—

(a) one shall be the Development Commissioner, Government of West Bengal, or his nominee;

(b) not more than five shall be persons actively engaged for not less than five years in the work of *khadi* organisations recognised by the *Khadi* and Village Industries Commission; and

(c) not more than five shall be persons having practical experience of or actively engaged in any village industry.

(2) One of the members of the Board shall be appointed by the State Government as the Chairman of the Board and the names of the Chairman and other members of the Board shall, as soon as may be after appointment, be published in the *Official Gazette*.

(3) The State Government shall, after consultation with the Board, appoint a member of the Board other than the Chairman to be the Secretary of the Board.

Executive
Officer of
the Board.

5. The State Government shall in consultation with the Board appoint a person not being a member of the Board to be the Executive Officer of the Board.

Term of
office and
conditions
of office.

6. (1) The terms and conditions of office of the Chairman, the Secretary and the other members, and of the Executive Officer, of the Board shall be such as may be prescribed:

Provided that the members of the Board including the Chairman and the Secretary shall be eligible for reappointment.

(2) The non-official members of the Board shall be paid such allowances from the funds of the Board as may be prescribed.

Resigna-
tion.

7. The Chairman or any other member of the Board may resign his office by giving notice in writing to the State Government and shall, on such resignation being notified in the *Official Gazette* by the State Government, be deemed to have vacated his office on and from the date on which the resignation is so notified.

XIV of 1959.]

(Sections 8—10.)

8. (1) Casual vacancies among the members of the Board shall be filled up by the State Government by appointment of new members:

Casual vacancies and savings as to proceedings of the Board.

Provided that where a casual vacancy arises among the members belonging to the class referred to in clause (b) or clause (c) of sub-section (1) of section 4, the new member to be appointed shall belong to that class.

(2) No act or proceeding of the Board shall be deemed to be invalid merely by reason of the existence of any vacancy in the Board or any defect or irregularity in the appointment of any member or in the constitution of the Board.

9. (1) The Secretary shall exercise such powers and perform such duties as may be prescribed or, as may, subject to the provisions of this Act and the rules made thereunder, be entrusted to him, from time to time, by the Chairman.

Powers and duties of Secretary and appointment of other officers and servants of the Board.

(2) Subject to such rules as may be made under this Act, the Board may appoint such other officers and servants as it considers necessary for the efficient performance of its functions under this Act:

Provided that no person whose honorarium or maximum salary exceeds three hundred rupees per month shall be appointed by the Board except with the previous approval of the State Government.

10. (1) On the establishment of the Board the State Government may, by notification in the *Official Gazette*, transfer to the Board the rights and liabilities of the State Government in relation to such *khadi* industries or village industries as may be specified in the notification.

Transfer of rights and liabilities of the State Government to the Board.

(2) On the issue of a notification under sub-section (1) all liabilities incurred, all contracts executed and all matters and things engaged to be done by the State Government at any time before and up to the date of publication of the notification, in connection with the organisation, development or regulation of the *khadi* industries or the village industries specified in the notification, shall, on and from the date of publication of the notification, be deemed to have been incurred, executed or engaged to be done by the Board, and in all suits and other legal proceedings instituted by or against the State Government in connection with the aforesaid industries before and up to the date of publication of the notification, the Board, shall, on and from such date, be deemed to be substituted for the State Government.

4 *The West Bengal Khadi and Village Industries Board Act, 1959.*

[West Ben. Act

(Sections 11,12.)

Meetings
of the
Board.

11. (1) The Board shall meet at such times and places and shall, subject to the provisions of sub-sections (2) and (3), observe such rules of procedure in regard to the transaction of business at its 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 three months.

(2) The Chairman or, in his absence, any member chosen by the members present from amongst themselves shall preside at a meeting of the Board.

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

Functions
of the
Board.

12. (1) The Board shall generally organise, develop and regulate *khadi* industries and village industries and discharge such other duties and perform such other functions as the State Government may direct for the purpose of carrying out the objects of this Act, but it will not be a trading corporation.

(2) In particular and without prejudice to the generality of the foregoing provision, the Board may take such steps as it may think fit to—

(a) establish, encourage, assist and carry on *khadi* industries and village industries;

(b) help the people by providing them with work in connection with the industries established or carried on by it, which they can perform in their homes, and give them such financial assistance as they may need for such work;

(c) encourage the establishment of Co-operative Societies for *khadi* industries and village industries;

(d) maintain training centres and train people at such centres or arrange for their training at centres outside the State of West Bengal with a view to equip them with necessary knowledge for establishing or carrying on *khadi* industries and village industries;

(e) arrange for providing raw materials, tools and implements to persons engaged in *khadi* industries and village industries and for the sale of the finished products of such industries;

XIV of 1959.]

(Sections 13—15.)

- (f) arrange for giving publicity to, and popularising, the finished products of *khadi* industries and village industries by opening stores, shops and emporiums or organising exhibitions;
- (g) educate the public and impress upon them the advantages of patronising the products of *khadi* industries and village industries;
- (h) conduct or encourage research work in connection with *khadi* industries and village industries;
- (i) maintain or assist in the maintenance of institutions for the development of *khadi* industries and village industries.

13. The Board shall, for the purpose of carrying out its functions under this Act, have the following powers, namely:—

General powers of the Board.

- (a) 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 in the case of immovable property such powers shall not be exercised without the previous sanction of the State Government;

- (b) to incur expenditure in discharging its functions under this Act;
- (c) to enter into any contract and to do all things necessary for the purposes of this Act;
- (d) to write off losses subject to such conditions as may be prescribed.

14. The Board may, for the purpose of effectively carrying out its functions under this Act,—

Special powers of the Board to grant loans and advance grants.

- (a) advance loans on such terms and conditions as may be prescribed, and
- (b) make grants for the execution of specific schemes.

15. (1) In each year, by such date and in such form as may be prescribed, the Board shall prepare and forward to the State Government a programme of the work it proposes to undertake or continue during the following year in the discharge of its functions referred to in section 12 together with a Schedule of the staff of officers and servants already employed and to be employed in the following year by the Board.

Annual Programme of the Board.

(2) The programme shall contain—

- (a) particulars of any scheme or any work which the Board proposes to execute during the following year;

(Sections 16—19.)

(b) particulars of any undertaking which the Board proposes to organise during the following year;

(c) such other particulars as may be prescribed.

(3) The State Government may sanction the programme and the Schedule of staff of officers and servants with such modification as it deems fit.

Supple-
mentary
pro-
gramme.

16. The Board may in any year prepare and forward to the State Government for its sanction a supplementary programme in such form and by such date as may be prescribed and the provisions of sub-section (3) of section 15 shall apply to such supplementary programme.

Budget.

17. (1) The Board may in each year, by such date and in such form as may be prescribed, prepare and submit to the State Government for its approval two separate budgets for the following year to be called the *Khadi* Budget and the Village Industries Budget showing the estimated receipt and expenditure in respect of *khadi* industries and village industries, respectively, during that year.

(2) The State Government may sanction the budgets submitted to it with such modification as it thinks fit.

Supple-
mentary
budget.

18. The Board may in any year submit to the State Government for its sanction a supplementary budget in such form and by such date as may be prescribed and the provisions of sub-section (2) of section 17 shall apply to such supplementary budget.

Restric-
tions as to
expendi-
ture.

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

(2) The Board may, within such limits and subject to such conditions as may be prescribed, sanction any reappropriation from one head of expenditure to another or from the provision made for one scheme to the provision made for another.

(3) Notwithstanding anything contained in sub-section (2), no reappropriation—

(a) from the *Khadi* Budget to the Village Industries Budget or from the Village Industries Budget to the *Khadi* Budget, or

(b) from the head "loan" to another head of expenditure or from another head of expenditure to the head "loan" in either budget,

shall be sanctioned by the Board without the previous approval of the State Government.

XIV of 1959.]

(Sections 20—24.)

20. The State Government may transfer to the Board, buildings, land or any other property movable or immovable for the use of, and management by, the Board for the purposes of this Act on such terms and conditions as the State Government may impose. Transfer of property.

21. (1) The Board shall have two separate funds to be called "the Khadi Fund" and "the Village Industries Fund" and all grants and advances made to the funds, from time to time, by the State Government for the purpose of organisation, development or regulation of *khadi* industries or village industries and all other receipts of the Board shall be credited to the Khadi Fund or the Village Industries Fund, as the case may be, and all payments by the Board in respect of *khadi* industries or village industries shall be made from the appropriate fund. Funds of the Board.

(2) All monies belonging to the Board shall be deposited in such custody and in such manner as the State Government may, by special or general order, direct.

(3) The accounts of the Board shall be operated, either jointly or severally as the Board may direct by order made in this behalf, by the Secretary and such other officer or officers of the Board as it may authorise.

22. (1) The State Government may, from time to time, make grants and advance loans, to the Board for the purposes of this Act on such terms and conditions as the State Government may determine in each case. Grants and loans to the Board.

(2) Subject to the provisions of this Act and the rules made thereunder, the Board may borrow any sum required for the purposes of this Act.

(3) The Board may accept grants, subventions, donations or gifts from the Government or a local authority or any body or association whether incorporated or not or any individual for all or any of the purposes of this Act.

23. All properties, funds and other assets of the Board shall be held and applied by it subject to the provisions of, and for the purposes of, this Act and not otherwise. Application of funds and properties.

24. (1) The accounts of the Board shall be maintained and an annual statement of accounts shall be prepared in such form and manner as may be prescribed. Accounts and audit.

(2) The accounts of the Board shall be audited annually by an auditor approved by the State Government.

8 *The West Bengal Khadi and Village Industries Board Act, 1959.*

[West Ben. Act

(Sections 25—30.)

Loans and
unutilised
grants
by the
Board
to be
recover-
able as
public
demands.

25. Subject to such rules as may be made under this Act—

- (a) any loan advanced by the Board under this Act, including any interest chargeable thereon, or
- (b) any grant made by the Board under this Act or any part thereof, which remains unutilised for the purpose for which the grant is made,

shall be recoverable as a public demand.

Annual
report.

26. (1) Within three months of the end of every year, the Board shall prepare and forward to the State Government, in such form and manner as may be prescribed, an annual report giving a complete account of its activities during such year.

(2) A copy of every report forwarded to the State Government under sub-section (1) shall, as soon thereafter as possible, be laid before the State Legislature.

Further
report.

27. The Board shall, by such date, at such intervals and in such form and manner as may be prescribed, submit to the State Government such further report containing such particulars as may be prescribed.

Direc-
tions by
the State
Govern-
ment and
advice
and
guidance
of
experts.

28. (1) In the discharge of its functions under this Act the Board shall be guided by such directions on questions of policy as may be given to it from time to time by the State Government.

Explanation.—If any question arises whether a question is a question of policy or not, the decision of the State Government shall be final.

(2) Subject to any direction of the State Government, the Board may seek and obtain the guidance and advice of experts in *khadi* industries and village industries for performing its functions under this Act.

Members,
officers and
servants
of the
Board to
be public
servants.

29. Members, officers and servants of the Board shall, when acting or purporting to act in pursuance of any provisions of this Act, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

XLV of
1860.

Indem-
nity.

30. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or any rule made thereunder.

XIV of 1959.]

(Sections 31, 32.)

31. (1) If at any time the State Government is satisfied, after giving the Board an opportunity of representing its case, that—

Dissolu-
tion of
the
Board.

- (a) the Board has, without reasonable cause or excuse, made default in the performance of its duties or in the discharge of its functions, or exceeded or abused its powers, or
- (b) circumstances have arisen due to which the Board is or may be rendered unable to discharge its functions under this Act, or
- (c) it is otherwise expedient or necessary to dissolve the Board,

the State Government may, by notification in the *Official Gazette*, make an order dissolving the Board on and from such date and for such period as may be specified in the order and declaring that the duties, functions and powers of the Board shall, during the period of dissolution, be performed, discharged and exercised by such person or authority as may be specified in the order.

(2) If in any case, the State Government so thinks fit, it may, by notification in the *Official Gazette*, make an order extending the period of dissolution of the Board.

(3) On the dissolution of the Board under this section, suits, prosecutions and other legal proceedings for or against the Board shall, during the period of dissolution, be instituted, defended or continued by the person or authority specified in the order under sub-section (1) in the name of the Board in like manner as immediately before the dissolution of the Board.

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

(5) The State Government may make such incidental or consequential order or orders as may appear to it to be necessary for giving effect to the order made under sub-section (1).

(6) No suit shall lie against the State Government for any order made by it under this section.

32. (1) The State Government may, by notification in the *Official Gazette*, make rules to give effect to the provisions of this Act.

Power to
make
rules.

(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:—

- (a) the terms and conditions of office of the Chairman, the Secretary and the other members, and of the Executive Officer, of the Board including the salaries, honoraria and allowances to be paid to them;

(Section 33.)

- (b) disqualification for membership of the Board and the procedure to be followed in removing a member who is or has been subject to any disqualification;
- (c) the procedure to be followed by the Board in the discharge of its functions under this Act;
- (d) the powers to be exercised and the duties to be performed by the Secretary and the Executive Officer of the Board;
- (e) the procedure to be followed and the conditions to be observed by the Board in borrowing money, advancing loans and making grants;
- (f) the conditions subject to which and the mode in which contracts may be entered into by or on behalf of the Board;
- (g) any other matter which is required to be or may be prescribed or provided for by rules.

Power to
make
regula-
tions.

33. (1) The Board may, with the previous sanction of the State Government, by notification in the *Official Gazette*, make regulations not inconsistent with the provisions of this Act or of the rules made thereunder for enabling it to discharge 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 and the salaries and allowances of officers and servants of the Board, other than the Secretary and the Executive Officer of the Board;
- (b) the time and the 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 transaction of business;
- (c) the delegation of powers and duties of the Board to the Secretary or the Executive Officer or any other employee of the Board;
- (d) the maintenance of minutes and proceedings of the meetings of the Board and the transmission of copies thereof to the State Government;
- (e) the persons by whom payments, deposits and investments may be made on behalf of the Board;
- (f) subject to the provision of sub-section (2) of section 21, the custody of monies required for the current expenditure of the Board and investment of monies not so required.

XIV of 1959.]

(The Schedule.)

(3) The State Government may, by notification in the *Official Gazette*, rescind any regulation and thereupon such regulation shall cease to have effect.

THE SCHEDULE

[See section 2(d).]

1. Bee-keeping.
2. Cottage match industry.
3. Cottage pottery industry.
4. Cottage soap industry using non-edible oils.
5. Flaying, curing and tanning of hides and skins and ancillary industries connected with the same and cottage leather industry.
6. Ghani oil industry.
7. Hand-made paper.
8. Manufacture of cane-gur and khandsari.
9. Palm-gur making and other palm-products industry.
10. Processing of cereals and pulses.
11. Blacksmithy.
12. Carpentry.
13. Fibre (other than coir).