

THE UTTAR PRADESH KHADI AND VILLAGE INDUSTRIES BOARD ACT, 1960¹

[U.P. ACT No. X of 1960]

Amended by-

U. P. ACT No. XXIV OF 1966

U. P. ACT No. XIV OF 1975

U. P. ACT No. XXXIX OF 1976

[Passed in Hindi by the Uttar Pradesh Legislative Assembly on April 7, 1960 and by the Uttar Pradesh Legislative Council on April 12, 1960.]

Received the assent of the Governor on April 22, 1960, under Article 200 of 'the Constitution of India', was published in the Uttar Pradesh Gazette, Extraordinary dated April 26, 1960.]

AN

ACT

to provide for the establishment of a Board for the development of Khadi and Village industries in Uttar Pradesh and matters connected therewith.

It is hereby enacted in the Eleventh Year of the Republic of India as follows:--

CHAPTER I

PRELIMINARY

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|--|---|
| Short title,
extent and
commencement | 1. (1) This Act may be called the Uttar Pradesh Khadi and Village Industries Board Act, 1960.
(2) It extends to the whole of Uttar Pradesh.
(3) This section shall come into force at once and the remaining provisions of the Act, shall come into force on such date as the State Government may, by notification ² in the official Gazette, appoint in this behalf. |
| Definitions | 2. In this Act, unless there is anything repugnant in the subject or context-
(i) "Board" means the Uttar Pradesh Khadi, and Village Industries Board established under section 4;
(ii) "Chairman" means the Chairman of the Board;
[(ii-a) ['Chief Executive Officer' and 'Additional Chief Executive Officer' means respectively the Chief Executive Officer and the Additional Chief Executive Officer of the Board appointed under section 10;] ⁴
(ii-b) 'Financial Advisor' and 'Accounts Officer' respectively means the Financial Advisor and Accounts Officer of the Board appointed under section 10 ;] ³ |

1. For Statement of Objects and Reasons, see Uttar Pradesh Gazette, Extraordinary, dated April 8, 1960.

2. Remaining provisions of the Act came into force with effect from September 14, 1960, vide Industries (A) Department, notification no. 2984(4)-18-A—457-60, dated September 14, 1966.

3. Added by section 2 (a) of U.P. Act No. 11 of 1983.

4. Substituted by section 2 of U.P. Act No. 15 of 1992.

(iii) "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;

(iv) ".Member" means a member of the Board and includes its Chairman;

(v) "Prescribed" means prescribed by rules made under this Act;

(vi) "Regulations" means regulations made under section 37 ;

(vii) [***]¹

3[(vii-a) "Vice-Chairman" means Vice-Chairman of the Board: and]

(viii) "Village Industries" means all or any of the industries specified in the Schedule and includes any other industry deemed to be specified in the Schedule by reason of a notification under section 3.

Power to add
to the Schedule

3. (1) The State Government may, on its own motion or on the recommendation of the Board, declare by notification in the official Gazette, any other industry to be a village industry to which this Act applies, and thereupon the industry so declared shall be deemed to be an industry specified in the Schedule for the purposes of this Act.
- (2) A copy of every notification issued under sub-section (1) shall be laid before each House of the State Legislature, as soon as may be, after it is issued.

CHAPTER II

ESTABLISHMENT OF THE BOARD

Establishment
of the Board

4. There shall be established, by notification in the official Gazette, a Board, to be called the Uttar Pradesh Khadi and Village Industries Board, which shall be a body corporate having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and may, by the said name, sue and be sued.

[Constitution
of the Board

5. (1) The Board shall consist of the following members; namely :--
 - (a) official members:-
 - (i) Minister Incharge of Khadi and Village Industries in the State Government, who shall be the Chairman ;
 - (ii) Director of Industries, Uttar Pradesh or his nominee not below the rank of a Joint Director;
 - [(iii) Secretary to the Government of Uttar Pradesh Incharge of Khadi and Village Industries, or his nominee not below the rank of a Deputy Secretary;]²

1. Omitted by section 2(b) of U.P. Act No. 11 of 1983.

2. Substituted by section 3(a) of U.P. Act No. 15 of 1992.

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[Section 6]

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(iv) Secretary to the Government of Uttar Pradesh in the Finance Department or his nominee not below the rank of a Deputy Secretary ;

(v) Secretary to the Government of Uttar Pradesh in Rural Development Department or his nominee not below the rank of a Deputy Secretary;

³[(vi) Secretary to the Government of Uttar Pradesh in the Planning Department or his nominee not below the rank of a Deputy Secretary;(vi-a) Chief Executive Officer or, if he is already a member of the Board in another capacity, the Additional Chief Executive Officer;]²

(b) Non-official members :-

(vi) {seven}⁴ non-official members to be appointed by the State Government from amongst persons who in its opinion are qualified as having had experience and shown capacity in matters relating to development of Khadi and Village Industries.]³

(2) The State Government shall appoint a Vice-Chairman from amongst the non-official members in consultation with the Chairman of the Khadi and Village Industries Commission established under the Khadi and Village Industries Commission Act, 1956.

(3) The appointment of every non-official member shall be notified in the Gazette.]¹[Disqualifi-
cation for
being member

6. A person shall be disqualified for being chosen as or for being a member of the Board if he --

(a) has been convicted of an offence which in the opinion of the State Government involves moral turpitude ; or

(b) is an undercharged insolvent; or

(c) is of unsound mind and has been so declared by a competent court; or

(d) holds, except as provided in sub-section (2) of section 12, any office Of profit under the Board; or

(e) has directly or indirectly by himself or by any partner, employer or employees, any share or interest, whether pecuniary or of another nature, in any contract or employment with , by or on behalf of the Board; or

(f) is a Director or a Secretary, Manager, or other officer of any company or co-operative or other society which has any Share or interest in any contract or employment with, by, or on behalf of the Board.

Explanation- A person shall not be deemed to have any share or interest in any contract or employment with, by, or on behalf of the Board by reason only of his being a share-holder of a company or co-operative or other society which has such share or interest.

1-Substituted by section 3 of U.P. Act No. 11 of 1983.

2-Added by section 3(b) of U.P. Act No. 15 of 1992.

3-Substituted by Uttranchal Act, 2002.

4- subs. by section 2 of Uttrakhand act no. 13 of 2015.

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[Section 6A-7]

Term of office of non-official members 6-A (1) A non-official member of the Board shall hold office for a period of two years unless his term is determined earlier by the State Government by notification in the Gazette :

Provided that the State Government may, from time to time, by notification in the Gazette, extend the term of office of such member by a period not exceeding one year in the aggregate,

- (2) The term of the office of the Vice Chairman shall be co-terminus with the term of his office as a non-official member under sub-section (1).
- (3) The Vice-Chairman or non-official member may at any time, by writing under his hand, addressed to the State Government, resign his office, and on such resignation being accepted, he shall be deemed to have vacated his office.
- (4) A casual vacancy in the office of Vice-Chairman or a non official member shall be filled by fresh appointment by the State Government, and the Vice-Chairman or other member so appointed shall hold office for the remainder of the term of the Vice-Chairman or member in whose place he is appointed.

Appointment of administrator in certain cases 6-B Where the term of office or the extended term of office of all non-official members expires or is determined earlier, and no new non-official members are appointed in their place, then until the appointment of new non-official members--

(a) all functions and duties of the Board, its Chairman, Vice-Chairman and committees shall be vested in and be performed and discharged, subject to the control of State Government, by an officer appointed in that behalf by the State Government (hereinafter referred to as the Administrator), and the Administrator shall be deemed in law to be the Board, the Chairman, the Vice-Chairman or the committee, as the occasion may require ;

(b) such salary and allowance, if any, of the Administrator as the State Government may, by general or special order in that behalf, fix shall be paid out of the fund of the Board ;

(c) the State Government may constitute a committee or other body to advise the Administrator or to perform such of the functions and duties of the Board as it may specify in that behalf.]²

Meetings of the Board 7. (1) The Board shall meet at such time and places and shall, subject to the provisions of sub-sections (2) and, (3), observe such Procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made under this Act.

[(2) The Chairman, or in his absence, the Vice-Chairman or in the absence of both, such other person as may be chosen by the members present from amongst themselves, shall preside at the meetings of the Board.]¹

1. Substituted by section 5(a) of U.P. Act No. 24 of 1966.
2. Substituted by section 3 of U.P. Act No. 14 of 1975.

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[Section 8-11]

(3) All question at a meeting of the Board shall be decided by a majority of votes of the members present and voting and in the case of equality of votes, [the person presiding]¹ shall have a second or casting vote.

[(4) The Chairman may invite any person to attend a meeting of the Board for the purpose of advising or assisting the Board or any matter. The person so invited may take part in the discussions of the Board but shall have no right of vote.]²

Vacancies amongst members or defects in the constitution of the Board not to in validate acts or proceedings of the Board

8. No act or Proceeding of the Board shall be deemed to be invalid by reason merely of any vacancy in, or any defect in the constitution of the Board.

[Office of the Board

9. The office of the Board shall be located at a place to be notified by the State Government in the official Gazette and shall, until so notified continue to be located at Kanpur.]³

[Officers and employers of the Board

10. (1) The State Government shall, on such terms and conditions as it may by general or special order specify in this behalf, appoint such person, including a Government servant, as it deems fit, as --

(a) Chief Executive Officer;

[(aa) Additional Chief Executive Officer;]⁵

(b) a Financial Advisor; and

(c) an Accounts Officer.

(2) The Accounts Officer shall be appointed in consultation with the Board.

(3) The Board may, in accordance with the regulations made in this behalf, appoint such other officers and employees as it thinks fit.]⁴

[Powers and duties of the Chief Executive Officer ,Financial Adviser and the Accounts Officer

11. (1) The Chief Executive Officer shall exercise the following powers and perform the following duties; namely :-

(a) to control all administrative work;

(b) to implement the policies and programmes of the Board;

1. Substituted by section 5(b) of U.P. Act No. 24 of 1966.
 2. Sub-section (4) added by section 3 (c) ibid.
 3. Substituted by section 6 ibid.
 4. Substituted by section 4 of U.P. Act No. 11 of 1983.
 5. Added by section 4 of U.P. Act No. 15 of 1993.

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[Section 12-14]

(c) to call meetings of the Board in consultation with the Chairman, to prepare minutes thereof and to cause decisions taken therein to be implemented;

(d) to make entries in the character rolls of the subordinate officers and employees of the Board;

(e) to execute contracts and assurance of property on behalf of the Board;

(f) to cause to be prepared reports, returns and other information's required by the Act and the rules or asked for by the State Government and the Khadi and Village Industries Commission;

(g) to operate the Bank accounts of the Board;

(h) to cause annual reports under sub-section (2) of section 29 to be prepared and submitted to the Board;

(i) to exercise such other powers and perform such other duties as may be prescribed.

- (2) The Financial Advisor and the Accounts Officer shall have such powers and perform such duties as may be prescribed.]⁴

Terms and conditions of service of employees of the Board and terms of office of its members

12. (1) The terms and conditions of service of the [officers and employees of the Board appointed under [sub-section (3)]⁵ of section 10,]¹ shall be such as may be provided by regulations made in this behalf.
- [(2) The Vice-Chairman shall be paid remuneration, and other non-official members shall be entitled to traveling and daily allowance, from the Board in accordance with such general or special orders as the State Government may, from time to time, issue in that behalf.]²

[Authentication of instruments or orders of the Board

13. Every contract and assurance of property on behalf of the Board shall be in writing and executed by the Chief Executive Officer in such manner as may be prescribed and every order or decision of the Board shall be authenticated by the Vice-Chairman or the Chief Executive Officer or such other member or officer as may be authorized by the Board in this behalf.]⁶

14. [X X X]³

1. Substituted by section 9(a) *ibid* for (employees of the Board).
 2. Substituted by section 4 of U.P. Act No. 14 of 1975.
 3. Omitted by section 11 *ibid*.
 4. Substituted by section 5 of U.P. Act No. 11 of 1983.
 5. Substituted by section 6 *ibid*.
 6. Substituted by section 7 *ibid*.

CHAPTER III

FUNCTIONS OF THE BOARD

Function of
the Board

15. (1) Subject to the provisions of this Act, the functions of the Board shall generally be to plan, organize, develop and regulate khadi and village industries [and to implement the schemes formulate]¹ by it, for that purpose.
- (2) In particular and without prejudice to the generality of the foregoing power, the Board may take such steps as it may think fit --
- (a) to plan and organize the training of persons engaged or interested in the production of khadi or in village industries ;
 - (b) to build up a reserve of raw materials and implements and to supply them to persons engaged in the production of khadi or in village industries at such economical rates as may be suitable in the, opinion of the Board;
 - (c) to provide for sale, publicity and marketing of khadi and products of village industries ;
 - (d) to encourage and promote research in the technique of production of khadi and development of village industries, or to provide facilities for study of the problems relating to khadi or village industries ;
 - (e) to maintain, or assist in the maintenance of, institutions for the development of khadi or village industries ;
 - (f) to undertake, assist or encourage the production of khadi or the development of village industries ;
 - (g) to promote and encourage co-operative for among manufacturers of khadi and/or persons engaged in village industries ;
 - (h) to secure co-ordination between individuals and institutions, including co-operative societies, engaged in the work of khadi and village industries ; and
 - (i) to carryout any other matter which may be prescribed.

Notations on
the functions
of the Board

16. (1) In the discharge of its functions under this Act, the Board shall be bound by such directions as the State Government may give to it.
- (2) The Board shall not dispose or acquire immovable property, except with the prior approval in writing of the State Government.

1. Added by section 12 of U.P. Act No. 1975.

CHAPTER IV
PREPARATION AND SUBMISSION OF PROGRAMMES AND SCHEMES AND
FINANCIAL STATEMENTS (BUDGET)

Formulation and submission of programme and scheme	17.	It shall be the duty of the Board to formulate programme of work and schemes for implementation in a financial year, and submit the same to the State Government, in such forms and containing such particulars and by such date or dates as may be prescribed.
Supplementary programmes and Schemes	18.	The Board may prepare supplementary programmes and schemes and submit the same to the Government in such forms and containing such particulars, as may be prescribed.
Sanction or programmes and schemes	19.	The State Government may approve in whole or with such modifications as it deems fit, the programme or the schemes or the supplementary programmes or the supplementary schemes submitted under section 17 or section 18, as the case may be, and the programmes or schemes so approved, shall be the programmes or the schemes for the year or period for which the same were made.
Implementation of programmes and schemes	20.	On receipt of the sanction of the State Government to the schemes or the supplementary programmes or the supplementary schemes, as the case may be, under section 19, the Board shall implement the same.
Annual financial statement	21.	<p>(1) The Board shall in respect of every financial year cause to be prepared a statement of the estimated receipts and expenditure of the Board for that year and cause it to be submitted to the State Government for its approval.</p> <p>(2) The estimates of expenditure embodied in the annual financial statement shall show separately : --</p> <p>(a) allowances of the [Vice-Chairman]¹ and other non official members;</p> <p>(b) emoluments and allowances of [the officers and employees]² of the Board and other expenditure relating to the office of the Board;</p> <p>(c) debt charges for which the Board is liable including interest, sinking fund charges and redemption charges, and the expenditure relating to the borrowing of loans and the service and redemption of debt ;</p> <p>(d) any Bums required to satisfy any judgment, decree or award of any court or tribunal;</p> <p>(e) any sums required, fit implementation of programmes and schemes of the Board; and</p> <p>(f) any other expenditure, as may be prescribed for the purposes of this Act.</p>

1. Substituted by section 13(1) of U.P. Act No. 24 of 1966.

2. Substituted by section 13(2) ibid for "the employees".

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[Section 22-25A]

Supplementary financial statement	22.	The Board shall, where the amount authorize by the annual financial statements to be expended for a particular service, programme or scheme for the current financial year, approved the State Government is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary expenditure upon some new service, programme or scheme not contemplated in the annual financial statement for the year, cause to be prepared, another statement showing the estimated amount of that expenditure and cause it to be Submitted to the State Government for its approval.
Approval of the State Government on annual and supplementary financial statement	23.	(1) The State Government may approve an annual financial statement or the supplementary financial statement, submitted under section 21 or section 22, as the case may be, in whole or with such modifications as it deems fit. (2) The annual financial statement or the supplementary financial statement, so approved by the State Government shall be the annual financial statement or “the supplementary financial statement” of the Board for that year.
Powers of the Board to spend	24.	Subject to the provisions of section 25 the Board shall have power to spend such sums as it thinks fit on purposes authorized by this Act.
Limitations on the power of the Board to spend	25.	(1) Subject to the provision of sub-sections (2) and (3), no sum shall be expended by or on behalf of the Board, except in accordance with the annual financial statement, the supplementary financial statement, as the case may be, approved by the State Government under section 23. (2) The Board may, within the respective limits of the annual financial statement or the supplementary financial statement, as the case may be, sanction, with the prior approval of the State Government, any re-appropriation from one head of expenditure to another or from provision made for one scheme to that in respect of another but in no case re appropriation shall be made from the Khadi account to the village industries account or from the village industries account to the khadi account. (3) The Board may, within such limits and subject to such condition at, may be prescribed, incur expenditure in excess of the limit provided in the annual financial statement or the supplementary financial statement under any head of expenditure or in connection with any particular scheme falling under the same head, so long as the aggregate amount specified therein in respect of that head is no exceeded.
[Power to write off irrecoverable amount	25-A	The Board may write off an amount due to it up to rupees one thousand in any individual case and up to rupees ten thousand in the aggregate in any financial year if, in its opinion, such amount is irrecoverable.] ¹

1. Added by section 14 of U.P. Act No. 24 of 1966.

CHAPTER V

FINANCE, ACCOUNTS, AUDIT AND REPORTS

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| [Fund of the Board] | <p>26. (1) There shall be a Fund of the Board to which shall be credited all moneys received by, or on behalf of the Board.</p> <p>(2) All moneys belonging to the Fund of the Board shall be deposited in the Government Treasury under two separate personal ledger accounts to be called respectively, the 'Khadi Account' and the 'Village Industries Account' and also in any other similar accounts to be opened by the Board as and when necessary in respect of its different schemes.</p> <p>(3) Subject to any rule so made in this behalf, the Board may from time to time withdraw from such personal ledger accounts, such amount as may be required for its purposes and may, if it thinks fit so to do, credit any such amount in account with any Scheduled Bank.]¹</p> |
| Acceptance of gifts, subventions, etc. by Board | <p>27. The Board may, with the prior approval of the State Government, accept grants, subventions, donations and gifts.</p> |
| Subventions and loans to Board | <p>28. (1) The State 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 the State Government may impose in this behalf.</p> <p>(2) Subject to the provision of this Act and the rules made thereunder and such conditions as the State Government may impose in this behalf, the Board may, from time to time and with the previous sanction of the State Government, borrow on the security of the Khadi Account or the Village Industries Account or any other asset of the Board or otherwise all sum required for giving effect to the purposes of this Act.</p> |
| Return and reporter | <p>29. (1) The Board shall furnish to the State Government at such time and in such form and manner as may be prescribed or as the State Government may direct, such returns and statements and such particulars in regard to any proposed or existing programme or scheme for the promotion and development of Khadi and Village Industries as the State Government may, from time to time, require.</p> <p>(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 the State Government a report, in such form and by such date as may be prescribed, giving a true and full account of its activities, policies and programmes during the previous financial year.</p> <p>(3) A copy of the report received under sub-section (2) shall be laid before each House of the State Legislature.</p> |

1. Substituted by section 8 of U.P. Act No. 11 of 1983.

[The Uttar Pradesh Khadi and Village Industries Board Act, 1960]

[Section 30-31]

Account and
audit

30. (1) The Board shall cause to be maintained such books of accounts and other records in relation to its functions in such form and in such manner, as may be prescribed.
- (2) The Board shall, as soon as may be after the closing of its annual accounts, prepare an annual statement of accounts in such form and in such manner as may be prescribed.
- [(3) The accounts of the Board shall be audited by the Accountant General, Uttar Pradesh, or any officer authorized by him in this behalf.]¹
- (4) The annual statement of accounts of the Board together with the audit report thereon shall be submitted by the Board to the State Government for such action as it may think proper to be taken.
- (5) A copy of the annual statement of accounts of the Board together with the audit report thereon received under sub-section (4) shall be laid before each House of the State Legislature.

CHAPTER VI

MISCELLANEOUS

[Committees
of the Board

31. (1) For the purpose of exercising such powers and performing such duties or discharging such functions as may be prescribed the Board shall establish :-
- (a) a Selection Committee;
- (b) a Finance Committee.
- (2) The selection committee shall consist of the following members :--
- (a) Chief Executive Officer, who shall be the chairman;
- (b) The Director of Industries, Uttar Pradesh, or his nominee not below the rank of a Joint Director;
- (c) A representative of the State Directorate of the Khadi and Village Industries Commission;
- (d) Concerned Project Officer who shall be the Technical Advisor.
- (3) The Finance Committee shall consist of the following members :-
- (a) Chairman of the Board, (Chairman);
- (b) Two non-official members of the Board to be nominated by the Chairman;
- (c) Secretary to the State Government in the Industries Department or his nominee not below the rank of a Deputy Secretary;
- (d) Secretary to the State Government in the Finance Department or his nominee not below the rank of a Deputy Secretary;

1. Substituted by section 15 of U.P. Act No. 24 of 1966.

- (e) Chief Executive Officer;
- (f) Financial Advisor;
- (g) Accounts Officer, who shall be the Member- Secretary.
- (4) The term of office of the non-official members of the Committees of the Board shall be such as may be prescribed.
- (5) The members of the Committees of the Board shall draw travelling and daily allowances in accordance with such general or special orders as the State Government may issue in this behalf.
- (6) Without prejudice to the generality of the provisions of sub-section (1), the Finance Committee shall perform the following functions and duties, namely-
 - (a) to consider the demands for loans/grants and to take decision for sanction on the basis of the available budget;
 - (b) to prepare budget estimates;
 - (c) to scrutinize the financial progress, realization, certificate of utilization, etc.
- (7) Upon the constitution of the Committees referred to in sub-section (1) every committee or sub-committee constituted under this Act, prior to the commencement of the Uttar Pradesh Khadi and Village Industries Board (Amendment) Act, 1982, shall cease to exist.

Delegation of powers and functions

- 31-A The Board may, by general or special order, delegate either unconditionally or subject to such conditions including the condition of review by itself as may be specified in the order to the Vice-Chairman, Chief Executive Officer or any other Officer, such of its powers and functions under the Act as it thinks fit.]¹

[Advisory Committee

- 31-B (1) The State Government may, by notification in the Gazette, constitute an Advisory Committee to advise the Board on matters referred to it by the Board on matters referred to it by the board.
- (2) The Advisory Committee shall consist of one representative from each Commissioner's Division in the State having interest in the field of Khadi and Village Industries.]²

Dissolution of the Board

- [32 (1) If the State Government is of opinion that Board has failed to carry out the functions under this Act, or that for any other reason it is not necessary to continue the Board, it may, by notification in the *Gazette*, dissolve the Board from such date as may be specified in the notification.
- (2) Upon the publication of a notification under sub-section (1) dissolving the Board--

1. Substituted by section 9 of U.P. Act No. 11 of 1983.

2. Substituted by section 10 *ibid*.

(a) the Chairman, the Vice-Chairman and all members of the Board shall, as from the date of dissolution, vacate their offices ;

(b) all the powers and functions which may by or under this Act be exercised and performed by or on behalf of the Board shall, as from the date of dissolution, be exercised and performed, subject to the control of the State Government by such single person or institution as it may specify in that behalf and all subsisting contracts, agreements and other instruments to which the Board is a party or which are in favour of the Board may be enforced or acted upon, and all pending suits, appeals and other legal proceedings by or against the Board may be continued, prosecuted or enforced, by or against the State Government or such person or institution, as the case may be;

(c) the Fund of and other properties vested in the Board shall vest in the State Government; and

(d) all liabilities, legally subsisting and enforceable against the Board, shall be enforceable against the State Government [* **]⁴.

(3) Notwithstanding anything contained in sub-section (1) or sub section (2), the State Government may, at any time, again establish a Board under section 4, thereupon --

(a) the powers and functions as well as the rights and liabilities in relation to contracts, agreements and other instruments and suits, appeals and other legal proceedings referred to in clause (b) of sub-section (2) shall re-vest in the Board ;

(b) the fund and other properties referred to in clause (c) of sub-section (2) remaining with the State Government after meeting any liabilities referred to in clause (d) thereof shall re-vest in Board.]¹

33. [* **]²

Members and
Employees of
the Board to
be Public
servants

34. All members and employees 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, 1860.

Protection of
action taken
under this Act

35. 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 under this Act.

[Recovery of
certain dues as
arrears of Land
revenue

35-A Where any amount is recoverable by the Board on account of any loan or advance or grant made by it for the purpose of development of Khadi and village Industries, the same may be without prejudice to any other remedy provided by law be recovered as arrears of land revenue.]³

1. Substituted by section 8 of U.P. Act No. 14 of 1975.

2. Omitted by section 9 ibid.

3. Added by section 17 of U.P. Act No. 24 of 1966.

4. Omitted by section 2 of U.P Act no. 39 of 1976

[The Uttar Pradesh Khadi and Village Industries Board Act, 1960]

[Section 36-37]

Power to make
rules

36. (1) The State Government may, after previous publication and by notification in the official Gazette, make rules for, carrying out the purposes of this Act.
- (2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters; namely --
- (a) [* * *]¹
 - (b) [* * *]¹
 - [(c) the powers and duties of the Financial Advisor and Accounts Officer;]²
 - (d) the matters concerning the functions of the Board;
 - (e) expenditures to be embodied in the annual financial statement ;
 - (f) the matters concerning the programmes, and schemes of the Board;
 - (g) the matters concerning the annual financial statement and the supplementary financial statement of the Board;
 - [(h) the submission of annual report under section 29;]³
 - (i) the form and manner in which accounts and other records in relation to the functions of the Board shall be maintained under sub-section (1) of section 30 ;
 - (j) the preparation and sub-mission of the annual statement of accounts under sub-section (2) of section 30;
 - (k) the procedure to be, followed in removing a member under section 6;
 - (l) the procedure to be followed and the conditions to be observed in borrowing moneys under section 28;
 - (m) the conditions subject to which and the mode in which contracts may be entered into by or on behalf of the Board; and
 - (n) any other matter which has to be or may be prescribed.
- (3) All rules made under this Act shall, as soon as, may be after they are made, be laid before each House of the State Legislature while it is in session, for a total period of fourteen days extending in its one session or more than one successive sessions and shall, unless some later date is appointed, take effect, from date of their publication in the official Gazette, subject to such modifications or annulment as the two houses of the Legislature may agree to make so, however, that any such modification or annulment, shall be without prejudice to the validity of anything previously done there under.

Power to make
regulation

37. (1) The Board may, with the previous sanction of the State Government, make regulations consistent with this 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 --

1. Clauses (a) and (b) omitted by section 18(i) of U.P. Act No. 24 of 1966.
 2. Substituted by section 11(1) of U.P. Act No. 11 of 1983.
 3. Substituted by section 11(2) ibid.

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[Section 38-Schedule]

(a) the procedure in regard to the transaction of business of the Board or of its Committees ;

[(b) the appointment and conditions of service of the persons referred to in sub-section (3) of section 10;]¹

(c) the matters relating to functions and duties of the employees of the Board ;

(d) [* * *]²

(e) [* * *]²

(f) any other matter which has to be or may be provided for by regulations.

Saving

38. (1) Nothing in this Act shall apply or be deemed to apply to any industry, the control of which by the Union is declared by Parliament by law to be expedient in the public interest.
- (2) The provision of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force relating to Khadi and Village Industries.

SCHEDULE

[See sections 2 (viii) and 3 (1)]

1. Bee-Keeping.
2. Cottage match industry.
3. Cottage pottery industry.
4. Cottage soap industry.
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 industries.
10. Processing of cereals and pulses.
11. Fibre other than coir.
12. Blacksmithy and carpentry (manufacturing and servicing not involving the use of power; power may be used in the case of manufacture of Ambar Charkhas and their accessories).

1. Substituted by section 12(a) of U.P. Act No. 11 of 1983.

2. Substituted by section 12(b) *ibid*.