

**UTTAR PRADESH KHADI AND VILLAGE
INDUSTRIES BOARD**

ACT 1960

(Amended Till 2008)



**DIRECTOR PRINTING AND STATIONERY, UTTAR PRADESH
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2011**

**THE UTTAR PRADESH KHADI AND VILLAGE INDUSTRIES
BOARD ACT, 1960¹
(UTTAR PRADESH ACT No.10 OF 1960)
Amended by U.P. Act No. XXIV of 1966 No. XIV of 1975
No. XI of 1983, XV of 1992² and IX of 2008**

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

1. (i) This Act may be called the Uttar Pradesh Khadi and Village Industries Board (Amendment) Act, 2008³ short title and commencement
- (ii) It shall be deemed to have come into force on March 04, 2008.
- (iii) It extends to the whole of Uttar Pradesh.
2. In this Act, unless there is anything repugnant in the subject or context,— Definitions.
- (i) 'Board' means the Uttar Pradesh Khadi & 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 Additional Chief Executive Officer of the board appointed under section-10⁴;
- (ii-b) 'Financial Advisor' and 'Account Officer', means respectively the Financial advisor and accounts Officer of the Board appointed under section -10⁵;
- (iii) 'Khadi' means any cloth woven on handlooms in India from cotton, silk or woolen yarn hand spin 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) 'Regulation' means regulations made under section-37;
- (vii) [* * * * *]⁶
- (viii) (A) 'Vice-Chairman' means Vice-Chairman of the Board; and

¹ For statement of Objects and Reasons please see *Uttar Pradesh Gazette (Extraordinary)*, dated April 26, 1960, 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 and was published in the *Uttar Pradesh Gazette (Extraordinary)*, dated April 26, 1960.

² For statement of objects & reasons, please see part-III (a) of the legislative supplement of the *Uttar Pradesh Gazette (Extraordinary)*, dated April 27, 1992)

Passed in Hindi by the Uttar Pradesh legislative Assembly on May 07, 1992 & by the Uttar Pradesh legislative Council on May 06, 1992)

Received the Assent of the Governor on May 14, 1992 Under Article 200 of the Constitution of India and was published in part-I (a) of the legislative supplement of the *Uttar Pradesh Gazette (Extraordinary)*, dated May 15, 1992)

³ Substituted by S. 1 of U.P. Act No.9 of 2008.

For statement of Objects and Reason please see *Uttar Pradesh Gazette (Extraordinary)*, dated March 05, 2008, passed by the Uttar Pradesh legislature and assented by the Governor on March 04, 2008.

⁴ Inserted by S.2 of U.P. Act No. 15 of 1992.

⁵ Inserted by S.2 of U.P. Act No.11, 1983.

⁶ Clause (VII) omitted by S-2 of U.P. Act No.11 of 1983.

(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 recommendations of the Board, declare by notification in the official *Gazette*, any other industry to be a village 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 in charge of Khadi & Village Industries or his nominee not below the rank of a Deputy Secretary;²
 - (iv) Secretary to the Government of Uttar Pradesh in the Finance Department or his nominee not below the rank of 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;
 - (v-a) Secretary to the Government of Uttar Pradesh in Planning Department or his nominee not below the rank of a Deputy Secretary;³
 - (v-b) Chief Executive Officer or, if he is already a member of the board in another capacity, the Additional Chief Executive Officer;⁴
 - (B) **Non-Official Members:**
 - (vi) Seven 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.

(2) The State Government shall appoint a Vice-Chairman from amongst non-official members¹.

(3) The appointment of every non-official member shall be notified in the *Gazette*]

Disqualification 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 undischarged insolvent; or

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

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

³ & ⁴ Inserted by S-3(b) of U.P. Act No. 15 of 1992.

⁵ Substituted by S-2 of U.P. Act No. 9 of 2008

(3)

- (c) is of unsound mind and has been so declared by a competent court; or
- (b) 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 employee, any share or interest, whether pecuniary or of any other nature, in any contract or employment with, by or on behalf of the Board.
- (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 shareholder of a company or co-operative or other society which has such share of interest.

6-A (1) A non-official member of the Board shall hold office for a period of one year¹ unless his term is determined earlier by the State Government by the notification in the *Gazette*:

Term of office of non-official member.

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 non-official member under sub-section(1).

(3) The Vice-Chairman or non-official member may at a anytime, 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 the Vice-Chairman or a non-official member shall be filled by fresh appointment by the State Government, and the Vice-Chairman or other member to appointed shall hold office for the remainder of the term of the Vice-Chairman or member in whose place he is appointed.

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-

Appointment of Administrator is certain cases.

[(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 allowances, 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 advice the administrator or to perform such of the functions and duties of the Board as it may specify in that behalf.]²

¹ Substituted by S.3 of U.P. Act no. 9 of 2008.

² Subs by S.4 of U.P. Act no.XXIV of 1966.

Meeting 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 transactions 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

(3) All questions 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]² 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 on any matter. The person so invited may take part in the discussions of the Board but shall have no right of vote.]³

Vacancies amongst members or defects in the Constitution of the Board not to invalidate 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 places to be notified by the State Government in official Gazette and shall, until so notified, continue to be located at Kanpur.]⁴

Officers and employees 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 officer and employees as it thinks fit.]⁶

Powers and Duties of the Chief Executive Officers, Financial Advisor and 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;
- (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;

¹ Subs. by S.5 (a), Ibid.

² Subs. by S.5 (b), Ibid.

³ Subs. by S.6 of U.P. Act No. XXIV of 1960.

⁴ Subs. by S.4 of U.P. Act No. 11 of 1983.

⁵ Subs. by S.4 of U.P. Act No. 15 of 1992.

⁶ Subs. by S.4 of U.P. Act No. 11 of 1983.

(5)

- (e) to execute contracts and assurance of property on behalf of the Board.
 - (f) to cause to be prepared reports, returns and other informations required by the Act and the rules or asked for by the state Government and the Khadi 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; and
 - (i) to exercise such other powers and perform such other duties as may be prescribed.
- (2) The Financial Advisor and the Accounts Officers shall have such powers and perform such duties as may be prescribed :]¹

12. (1) The terms and conditions of service of the [officers and employees of the Board appointer under sub-section (3) of section 10² shall be such as may be provided by regulations made in this behalf.

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

(2) The Vice-Chairman shall be paid remuneration, and other non-official members shall be entitled to travelling 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.

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 authorised by the Board in this behalf.]³

Authentication of instruments or orders of the Board.

14 [* * * *]⁴

CHAPTER-III

Functions 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 formulated by it, for that purpose.]⁵
- (2) In particular and without prejudice to the generality of the following powers, the Board may take such steps as it may think fit-
- (a) to plan and organise 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;

¹ Subs. by S.5 Ibid.

² Subs. by S.6 Ibid.

³ Subs. by 7 of U.P. Act no. 11 of 1983.

⁴ Omitted by S.11 of U.P. Act XXIV of 1966 for "Employees of the Board".

⁵ Subs. by S.12 of U.P. Act XXIV of 1966.

- (e) to maintain, or assist in the maintenance of instruction for the development of Khadi or Village industries;
- (f) to undertake, resist or encourage the production of Khadi or the development of Village Industries;
- (g) to promote and encourage co-operative efforts 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 carry out any other matter which may be prescribed.

Limitations 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 prior approval in writing of the State Government.

CHAPTER IV

Preparation and Submission of Programmes and Schemes and Financial Statements (Budgets)

Formulation and submission of programmes and schemes.

17. It shall be the duty of the Board to formulate programmes 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 of 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 programmes or 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. (1) The board shall in respect of every financial years 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.
- (2) The estimates of expenditure embodied in the annual financial statement shall show separately—
- (a) allowance of the [Vice-Chairman]¹ and other non-official member.
 - (b) emoluments and allowance of [the officers and employees]² of the Board and other expenditure relating to the office of the Board;
 - (c) debt charges for which the Board is liable including interest, sinking fund charges and redemption charges, and other expenditure relating to the borrowing of loans and the service, and redemption of debt;
 - (d) any sums required to satisfy and judgment, decree or award of any court or tribunal;
 - (e) any sums required for implementation of programmes and schemes for the Board; and

¹ Subs. by S. 13 (i) of U.P. Act no. XXIV of 1966.

² Subs. by S. 13 (ii) Ibid for "the employee".

(f) any other expenditure, as may be prescribed for the purposes of this Act.

22. The Board shall, where the amount authorised by the annual financial statement to be expended for a particular service, programme or scheme for the current financial year, approved by the State Government is found to be insufficient for the purpose 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.

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.

Approval of the State Government on annual and supplementary financial statement.

(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.

24. Subject to the provisions of section 25, the Board shall have power to spend such sums as it thinks fit on purposes authorised by this Act.

Power of the Board to Spend.

25. (1) Subject to the provisions of sub-sections (2). and (3), no sum shall be spent by or on behalf of the Board, except in accordance with the annual financial statement or the supplementary financial statement, as the case may be approved by the State Government under section 23.

Limitations on the power of the Board to Spend.

(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 reappropriation from one head of expenditure to another or from provision made for one scheme to that in respect of another but in no case reappropriation 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 conditions as may be prescribed, 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 not exceeded.

[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 a amount is irrecoverable]¹

Power to write off irrecoverable amount.

CHAPTER V

Finance, Accounts, Audit and Reports

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.

Fund of the Board.

(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 Accounts' and also in any other similar accounts to be opened by the Board as and when necessary in respect of its different schemes.

¹ Ins. by S.14 of U.P. Act of 1966.

- (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 purpose and may, if it thinks fit so to do, credit any such amount in account with any [Scheduled Bank]¹
- Acceptance of gifts, subventions, etc. by Board.
27. The Board may, with the prior approval the State Government accept grants, subventions and gifts.
- Subventions and loans to Board.
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.
- (2) Subject to the provisions 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 any sum required for giving effect to the purposes of this Act.
- Return and reports
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.
- (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.
- (3) A copy of the report received under sub-section (2) shall be laid before each house of State Legislature.
- 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 Accountant General, Uttar Pradesh or any officer authorised by him in his behalf.
- (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. ²[(1) For the purpose of exercising such powers and performing of such duties or discharging such functions as may be prescribed, the Board shall establish-

¹ Subs. By S.8 of Act no. 11 of 1983.

² Subs. by S.9 of U.P. Act no. 11 of 1983.

- (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;
 - (e) Chief Executive Officer;
 - (f) Financial Advisor;
 - (g) Accounts Officer, who shall be the Member-Secretary.
- (4) The terms 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 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 scrutinise the financial progress, realisation, certificate of utilisation, 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.]

[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 function under the Act as it thinks fit.]

[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.

(2) The Advisory Committee shall consist of one representative from each commissioner's Division in the State having interest the field of Khadi and Village Industries;]

Delegation of powers and functions.

Advisory Committee.

¹ Subs. By S.9 of U.P. Act no. 11 of 1983.

² Subs. by S.10 of U.P. Act no. 11 of 1983.

- 132 (1) If the State Government is of opinion that the 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.

Dissolution of
the Board

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- Board- (2) Upon the publication of a notification under sub-section (1) dissolving the

- (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.
- (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 revest 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 revest in the Board.

Omission of
section 33
transitory
provision.

33. Section 33 of the principal Act shall be *omitted* by U.P. Act No. 14 of 1975.

[The non-official members of the Board holding office immediately before the commencement of this Act, having already held, office for more than two years (which is the period specified in section 6-A of the principal Act as substituted by this Act) shall immediately on the commencement of this Act cease to hold office as such, and the provisions of section 6-B of the principal Act shall apply accordingly.]

Members and
employees of the
Board to be public
servants. Act XIV
of 1860.

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 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

¹ Ibid.

² Subs. by S.9 of U.P. Act no. 11 of 1983.

of

same may, without prejudice to any other remedy provided by law, be recovered as arrear of land revenue.]

Powers to make rules.

36. (1) The State Government may, after previous publication and by notification in 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 following matters, namely-

- (a) [* * * *]¹
- (b) [* * * *]²
- (c) ³[the powers and duties of the Financial Advisor and Accounts Officer]
- (d) the matters concerning the functions of the Board;
- (e) expenditure 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;
- ⁴[(h) the submission of the annual report under section 29;]
- (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 submission of the annual statement of accounts under sub-section (2) of section 30;
- (k) the procedure to be followed in following a member under section 6;
- (l) the procedure to be followed in removing a member under section 6;
- (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, of more than one successive session and shall unless some latter date is appointed, take effect, from the 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 thereunder.

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*.

Power to make regulations.

(2) In Particular and without prejudice to the generality of the foregoing power, the Board may make regulations providing for-

- (a) the procedure in regard to the transaction of business of the Board or of its committees;
- ⁵[(b) the appointment and conditions of service of the persons referred to in sub-section (3) of section 10;]
- (c) the matters relating to function and duties of the employees of the Board;
- (d) [* * * *]⁶
- (e) [* * * *]⁷
- (f) any other matter which has to be or may be provided for by regulations.

¹ Omitted by S.17 of U.P. Act no. XXIV of 1966

² Clauses (a) and (b) omitted by S.18 (i), *ibid*.

³ Sub. by S.11 (i) of U.P. Act No. 11 of 1983.

⁴ Sub. by S.11 (ii) of U.P. Act No. 11 of 1983.

⁵ Sub. by S.12 of U.P. Act No. 11 of 1983.

⁶ Omitted by S.12 of U.P. Act No. 11 of 1983.

⁷ *Ibid*.

Saving

38. (1) Notwithstanding 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 provisions of this Act shall be addition to, and not in derogation of, the provisions any other law for the time being in force relating to Khadi and Village Industries.

SCHEDULE

[See Section 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 concerned 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. Fibre other than coir.
12. Blacksmithy and Carpentry (Manufacturing and servicing not involving the use of power may be used in the case of manufacture of Ambar Charkhas and their accessories.)

APPENDIX-1

THE UTTAR PRADESH KHADI TATHA GRAM UDYOG BOARD (SANSHODHAN) ADHINIYAM, 1966

(UP ACT No. XXIV OF 1966)

[Authoritative English text of the Uttar Pradesh Khadi Tatha Gram
Udyog Board (Sanshodhan) Adhiniyam, 1966]

AN
ACT

U.P. Act No. X of
1960.

To amend the Uttar Pradesh Khadi and Village Industries Board
Act, 1960 for the purpose hereinafter appearing

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

1. (1) This Act may be called the Uttar Pradesh Khadi Tatha Gram Udyog Board (Sansodhan) Adhiniyam, 1966.
 - (2) It shall come into force on such date as the State Government may, by notification in the official *Gazette*, appoint.
(Sections 2 to 19 incorporated in the principal Act no. X of 1960 at appropriate places)
- Short title and commencement.
- Transitory provisions.
- The non-official members of the Board holding office immediately before the commencement of this Act having already held office for more than two years (which is the period specified in section 6-a of the principal Act as substituted by this Act) shall immediately on the commencement of this Act cease to hold office as such, and the provisions of section 6-B of the principal Act shall apply accordingly.
- U.P. Ordinance No.4 of 1975 repeal savings.
- (1) The Uttar Pradesh Khadi and Village Industries Board (Amendment) Ordinance, 1975 is hereby repealed.

- (2) ~~Notwithstanding~~ such repeal, anything done or any action taken under the principal Act as amended by the said ordinance shall be deemed to have been done or taken under the corresponding provisions of the principal Act as amended by this Act.

13. (1) The Uttar Pradesh Khadi and Village Industries Board (Amendment) Ordinance, 1982 is hereby repealed.

Repeal and savings.

(2) ~~Notwithstanding such~~ repeal, anything done or any action taken under the Principal Act as amended by the ordinance referred to in sub-section (1), shall be deemed to have been done or taken under the corresponding provisions of the principal Act as amended by this Act as if the provisions of this Act were in force at all material times.

U.P. Ordinance Act 24 of 1982.

By order,

Sachiv

No. 1171(2)/XVII-V-1-1(Ka)19-1992

Dated Lucknow, May 15, 1992

In pursuance of the provisions of clause (3) of Article 348 of the Constitution of India, the Governor is pleased to order the publication of the following English translation of the Uttar Pradesh Khadi Tatha Gram Udyog Board (*Sanshodhan*) Adhiniyam, 1992 (Uttar Pradesh Adhiniyam Sankhya 15 of 1992) as passed by the Uttar Pradesh Legislature and assented to by the Governor on May 14, 1992.

THE UTTAR PRADESH KHADI AND VILLAGE INDUSTRIES BOARD

(AMENDMENT) ACT, 1992

(U.P. ACT NO. 15 OF 1992)

[As passed by the U.P. Legislature]

AN

ACT

for further to amend the Uttar Pradesh Khadi and Village Industries Board Act, 1960.

IT IS HEREBY enacted in the Forty-third Year of the Republic of India as follows:--

1. This Act may be called the Uttar Pradesh Khadi and Village Industries Board (Amendment) Act, 1992

Short title

2. In section 2 of the Uttar Pradesh Khadi and Village Industries Board Act, 1960, hereinafter referred to as the principal Act, for clause (ii-a) the following clause shall be substituted, namely:--

Amendment of section 2 of U.P. Act no. X of 1960

"(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;".

3. In section 5 of the principal Act, in sub-section (1),—

Amendment of
section 5(a) for clause (iii), the following clause shall be *substituted*, namely :—

“(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;”;

(b) for clause (v), the following clause shall be *inserted*, namely :—

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

(v-b) Chief Executive Officer or, if he is already a member of the Board in another capacity, the Additional Chief Executive Officer.”;

4. In section 10 of the principal Act, in sub-section (1), after clause (a), the following clause shall be *inserted*, namely :—Amendment of
section 10

“(aa) Additional Chief Executive Officer.”.

By order,
NARAYAN DAS,
Sachiv.

No. 450(2)/LXXIX-V-1-1 (ka) 9/2008

Dated Lucknow, March 05, 2008

NOTIFICATIONMiscellaneous

In pursuance of the provisions of clause (3) of article 348 of the Constitution of India, the Governor is pleased to order the publication of the following english translation of the Uttar Pradesh Khadi Tatha Gram Udyog Board (Sanshodhan) Adhiniyam, 2008 (Uttar Pradesh Adhiniyam Sankhya 9 of 2008) as passed by the Uttar Pradesh Legislature and assented to by the Governor on March 04, 2008 :—

THE UTTAR PRADESH KHADI AND VILLAGE INDUSTRIES
BOARD (AMENDMENT) ACT, 2008

[U.P. ACT NO. 9 of 2008]

(As passed by the Uttar Pradesh Legislature)

AN

ACT

further to amend the Uttar Pradesh Khadi and Village Industries Board
Act, 1960.

IT IS HEREBY enacted in the Fifty-ninth Year of the Republic of India as follows :—

1. This Act may be called the Uttar Pradesh Khadi and Village Industries Board (Amendment) Act, 2008. Short title

(15)

Amendment of
section 5 of U.P.
Act no. 10 of 1960

2. In section 5 of the Uttar Pradesh Khadi and Village Industries Board Act, 1960, hereinafter referred to as the principal Act, for sub-section (2) the following sub-section shall be substituted, namely:—

“(2) The State Government shall appoint a Vice-Chairman from amongst non-official members.”

Amendment of
section 6-A

3. In section 6-A of the principal Act, in sub-section (1) for the words “two years” the words “one year” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

Sub-section (2) of section 5 of the Uttar Pradesh Khadi and Village Industries Board Act, 1960 U.P. Act no. 10 of 1960) provides that the State Government shall appoint a full time Vice-Chairman from amongst 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 and sub-section (1) of section 6-A *Inter alia* provides that 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 the notification in the *Gazette*. On the recommendation of the Khadi and Village Industries Commission it has been decided to amend section 5 of the said Act to provide for empowering the State Government to appoint a Vice-Chairman from ~~amongst non-official members~~ instead of full time Vice-Chairman. In order to ensure that the Board should get maximum benefit of able and qualified persons it has also been decided to reduce the term of non-official members from “two years” to “one year”.

The Uttar Pradesh Khadi and Village Industries Board (Amendment) Bill, 2008 is introduced accordingly.

By Order,
S.M.A. ABIDI,
Pramukh Sachiv.