KHADI AND VILLAGE INDUSTRIES BOARD RULES, 1968

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Rule

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Industries and Commerce Department [1]*Notification SRO-237 dated 5th July, 1968.*— In exercise of the powers conferred by sub-sections (1) and (2) of section 34 of the Jammu and Kashmir Khadi and Village Industries Board Act, 1965, the Government hereby make the following rules :—

1. *Short title.*— These rules may be called the Jammu and Kashmir Khadi and Village Industries Board Rules, 1968.

2. *Definitions.* —(i) In these rules, unless the context otherwise requires, —

(a) 'Act' means the Jammu and Kashmir Khadi and Village Industries Board Act, 1965 (XVI of 1965) ;

(b) 'Board' means the Jammu and Kashmir Khadi and Village Industries Board established under section 3 of the Act ;

(c) 'Chairman' means the Chairman of the Board ;

(d) 'Financial year' means the year commencing on the first day of April ;

(e) 'Secretary' means the Secretary of the Board appointed under sub-section (4) of section 4 of the Act ;

(f) 'Vice-Chairman' means the Vice-Chairman of the Board appointed under sub-section (3) of section 4 of the Act ;

(g) 'Financial Adviser' means the Financial Adviser appointed under section 5 of the Act ;

(h) 'Executive Officer' means the Executive Officer appointed under section 12 of the Act ;

1.SRO-237 of 1968 published in Government Gazette dated 5th July, 1968.

(i) 'Government' means the Government of Jammu and Kashmir ;

(j) 'Standing Finance Committee' means a Committee constituted under section 13 of the Act.

(ii) All other words used but not defined in these rules shall have the meanings assigned to them in the Act.

3. *Terms of Office.* —(1) Save as hereinafter provided, a member of the Board shall hold office for such period not exceeding five years as may be prescribed in the notification of his appointment which shall be notified in the Government Gazette and shall be eligible for re-appointment.

(2) Any non-official member including the Vice-Chairman of the Board, may at any time, resign his office by giving notice in writing to the Chairman of the Board and on its being accepted by the Government, he shall be deemed to have, vacated his office from the date of such acceptance.

(3) The Chairman, if he is a non-official may at any time resign by giving notice in writing to the Government and on its being accepted by the Government, he shall be deemed to have vacated his office from the date of such acceptance.

4. *Disqualification for membership of the Board.*— A person shall be disqualified for being appointed as a member of the Board,—

(a) if he is found to be lunatic or a person of unsound mind ; or

(b) if he has been adjudged insolvent ; or

(c) if he has been convicted of an offence involved moral turpitude ; or

(d) if he has any financial interest in any subsisting contract with, or in any work being done for, the Board except as a share-holder (other than a Director or Managing Agent) in a company as defined in the Companies law for the time being in force, provided that where he is a share-holder, he will disclose to the Government, the nature and extent of share held by him in such a company ; or

(e) if he has any financial interest in any business undertaking dealing with Khadi or any other village industry specified or deemed to be specified in the Schedule to the Act ; or

(f) if he has directly or indirectly by himself, by his wife or son, or by any partner any share or interest in any subsisting contract or employment with, by or on behalf of the Board ; or

(g) if he is a Director or a Secretary or a Manager or other salaried officer of any incorporated Company or any co-operative society which has any share or interest in any contract or employment with, by or on behalf of the Board.

5. *Removal or suspension of a member.* —(1) The Government may, by notification in the Government Gazette, remove from office any member of the Board, including the Chairman and the Vice-Chairman if he—

(a) refuses to act ; or

(b) has become incapable of acting as Chairman, Vice-Chairman or a member of the Board ; or

(c) has so abused his position as Chairman, Vice-Chairman or a member as to render his continuance on the Board detrimental to the interests of the public ; or

(d) is absent without permission from all the meetings of Board for four successive months or for the period in which three successive meetings are held whichever period is longer ; or

(e) ceases to reside in the State ; or

(f) is otherwise unsuitable to continue as a member ; or

(g) is discovered to be or become subject to any of the disqualifications mentioned in rule 4 :

Provided that no order of removal shall be made under this rule unless the person concerned has been given an opportunity to submit his explanation to the Government.

(2) The Government may fix the period during which an order of removal made under sub- rule (1) shall operate as a bar to the re-appointment of the person affected thereby on the Board.

6. *Constitution of the Standing Finance Committee.* —(1) The Board may constitute by a resolution a Standing Finance Committee which shall consist of not less than three members appointed from amongst the members of the Board.

(2) The Chairman or, in his absence, the Vice-Chairman, if appointed as a member of the Committee, shall be the Chairman of the Committee. In the absence of both the Chairman and Vice-Chairman, the Committee shall elect a Chairman from amongst its members.

(3) The Committee shall appoint one of the officers of the Board to perform the duties of its Secretary.

7. *Procedure.*— The procedure to be followed in the performance of the functions by members of the Board would be such as may be determined by the Board from time to time.

8. *Terms and conditions of service.* —(1) The terms and conditions of the service of the Chairman, Vice-Chairman, the Secretary and other members of the Board including honoraria and allowances to be paid to them shall be such as may be notified by the Government from time to time.

(2) For journeys performed by them for attending the meetings of the Board or for discharging such other duties as may be assigned to them by the Board,—

(a) the Chairman, the Vice-Chairman and the other non-official members shall be paid travelling and daily allowances at such rates as may be fixed by the Government ;

(b) the *ex-officio* members shall be paid such allowances at the rates admissible to Government servants of their ranks.

9. *Powers of the Chairman.* —(1) The Chairman shall be responsible for the proper functioning of the Board and the implementation of its decisions and discharge of its duties under the Act.

(2) Subject to such delegation as may be made under the Act or rules or regulations made thereunder, the Chairman shall :—

(a) cause the important papers and matters to be presented to the Board as early as practicable ;

(b) issue directions as to the method of carrying out the decisions of the Board ;

(c) maintain or cause to present a draft annual report of the working of the Board to the Board for approval and submit a report as approved by the Board to the Government. The report approved by the Board should also be circulated to the members of the Board for their information.

(3) The Chairman shall exercise administrative control over all officers of the Board.

(4) The Chairman may sanction re-appropriation of expenditure on contingencies, supplies and services and purchase of articles required for the working of the office of the Board and for the execution of measures in furtherance of the objects of the Act, subject to necessary provisions in the budget.

10. *Duties and functions of Vice-Chairman.*— The Vice-Chairman shall assist the Chairman in proper functioning of the Board, the implementation of its various decisions and the discharge of its duties

under the Act. He shall also perform such duties and carry out such functions as may be assigned to him by the Board or by the Chairman.

11. *Powers of the Secretary.* —(1) The Secretary shall be the Chief Executive Officer of the Board and shall work under the general control of the Chairman. In addition to the powers and duties delegated to him under section 11 of the Act, he shall exercise the powers and perform the duties enumerated below :—

(i) convening of meetings of the Board under the direction of the Chairman ;

(ii) drawing up the agenda for each meeting under the Chairman's directions and to supply the same to each member of the Board alongwith the notice of the meeting ;

(iii) maintenance of the minutes of the meeting of the Board ;

(iv) furnishing to the Government and the Khadi and Village Industries Commission all reports and returns and necessary documents required under the Act or the rules ;

(v) preparation of the annual budget of the Board in consultation with the Financial Adviser.

(2) The Secretary shall keep a record, of the members of the Board and their addresses. In case a member of the Board changes his address, he shall notify his new address to the Secretary of the Board who shall thereupon enter his new address ; but if he fails to notify his new address, the address in the official record shall for all purposes be deemed to be the member's address.

12. *Powers and functions of the Financial Adviser and Chief Accounts Officer.* —(1) The Financial Adviser shall advise the Board on all matters relating to receipts and expenditure, and such other matters involving financial implications as may be referred to him.

(2) The Financial Adviser shall have the right to attend every

meeting of the Board and of a Standing Finance Committee but shall not have the right to vote thereat. He shall also have right to refer to the Board any matter having financial implication which in his opinion ought to be brought to its notice.

(3) The Financial Adviser shall scrutinise and supervise the preparation of the budget of the Board, the compilation of the annual and other financial statements and the manner in which the accounts, of the Board are maintained and made available to audit, the Commission and the Government.

(4) The Financial Adviser shall have the right to accord his views on every proposal involving expenditure from the funds of the Board prior to the consideration and approval of such proposals by the Standing Finance Committee or by the Board.

(5) The Financial Adviser shall have authority to advise the Board and the Standing Finance Committee that a particular decision affecting the general financial policy of the Government should be referred to Government for consideration.

(6) The Chief Accounts Officer of the Board and the Financial Adviser when so acting shall exercise the powers and discharge the duties as below :—

(i) He shall be in over-all charge of accounts.

(ii) He shall make payments in accordance with the direction of the Board or other competent authority, although, in his capacity of Financial Adviser, he may record his disagreement in regard to a financial proposal.

(iii) He shall be in over-all charge of cash, valuables and stocks.

(iv) He shall maintain the accounts of the Board in the manner prescribed by the Government or the Commission from time to time.

(v) (a) He shall pay recurring charges, such as electricity charges, telephone charges, office rent etc. and leave salary and pension contribution.

(b) He shall issue receipts on behalf of the Board for amounts received by the Board.

(c) He shall pass bills on the basis of sanctions accorded by the competent authority.

(d) He shall conduct internal audit of the expenditure incurred out of the funds of the Board in order to ensure that the expenditure is strictly in accordance with the rules and regulations and with the orders and instructions issued by the Board and other competent authorities from time to time.

13. *Powers and duties of the Executive Officer.*— The Executive Officer shall work under the control of the Chairman. He will be entitled to attend the meetings of the Board and its committee but will not be entitled to vote. His functions, duties and powers shall be such as may be assigned to him by the Board, with the approval of the Government under section 12 of the Act. In addition his powers and duties will be—

(i) to implement the decisions taken by the Board ;

(ii) to frame annual budget estimates and supplementary budget estimates under the directions of the Secretary and in consultation with the Chief Accounts Officer ;

(iii) to administer the contributory provident funds of the Board in consultation with the Chief Accounts Officer ;

(iv) to carry on day to day routine administration of the Board and its affairs particularly in regard to schemes, works or institutions run by or administered by the Board and exercise such powers as may be necessary in the proper discharge of his duties and responsibility ;

(v) to look after the property and other contractual obligations of the Board ;

(vi) to administer the funds of the Board in accordance with the Rules and Regulations ;

(vii) to assign duties to the Assistant Executive Officers, and other servants of the Board working under it, subject to any general directions issued by the Secretary, the Chairman or the Board ;

(viii) to carry on any other work assigned to him by the Secretary, the Chairman or the Board.

14. *Powers and duties of Assistant Executive Officer.*— The Board may from time to time appoint as many Assistant Executive Officers as it considers necessary and determine the area within which they may function as such. The Assistant Executive Officers shall work under the general supervision of the Executive Officer and shall exercise the following powers and perform the following duties:—

(1) They shall initiate and encourage programmes for development of Khadi and Village Industries in the areas to which they are appointed and also supervise and implement programmes approved for such development in these areas.

(2) They shall carry out day to day routine administration of their offices and discharge duties in this behalf including maintenance of proper registers, accounts and other necessary records.

(3) They shall supervise and inspect the working of Co-operative Societies, Departmental Centres, and other institutions financed by the Board in their areas and render technical assistance to such centres and institutions through the field staff.

(4) They shall organise new units of village industries which fall under purview of the Board or the Commission and expedite

the registration, etc. of such units, as may be allotted to their areas or as directed from time to time.

(5) They shall look after the property and other contractual obligations of the Board in their areas.

(6) They shall assign duties to the staff under them subject to the general directives of the Executive Officer.

15. *Contracts.*— Every contract or agreement on behalf of the Board shall be in writing and shall be signed and sealed with the common seal of the Board :

Provided that where the value of such contract or agreement does not exceed Rs. 500/- the same may be made or entered into in any other form or manner.

16. *Preparation and submission of annual budget estimates.*— (1) The budget estimates of the Board for every financial year beginning on the Ist day of April and ending on the 31st day of March following shall be prepared by the Secretary or such officers as may be empowered by him or by the Chairman in this behalf sufficiently in advance of the date fixed in sub-rule (4) in accordance with sub-rule (6). The Budget estimates so prepared shall be forwarded to the Commission for information and remarks, if any.

(2) A copy of the budget estimates so prepared along with the remarks of the Commission shall be sent to each member of the Board at least fourteen days before the meeting of the Board at which such estimates are to be considered.

(3) The Board shall consider and approve, in consultation with the Financial Adviser, the budget estimates with such changes as it thinks fit at the meeting to which the consideration of the budget estimates is fixed by a resolution of the Board.

(4) The budget estimates as approved by the Board shall be submitted to the Government normally during first week of September, but in no case later than 20th of September of each year :

Provided that the Government may, on the request of the Board, extend the date of submission of the budget estimates by such period not exceeding fifteen days as the Government think fit.

(5) Subject to such orders as may be issued by the Government from time to time, no expenditure shall be incurred until the budget is sanctioned by the Government and expenditure authorised by a competent authority of the Board.

(6) The budget shall, among other matters include—

(i) the estimated opening balance ;

(ii) the estimated receipts by way of funds to be released by the Commission, recovery of interest, refund of loans and other miscellaneous receipts ;

(iii) the proposed expenditure separately under 'Khadi' including (Ambar Charkha Scheme) and "Village Industries" classified under the following heads or such other heads or sub-heads the Government/ Commission, may direct :—

(a) Administration.

(b) Subsidies and Grants.

(c) Loans.

(d) Trading Account.

(e) Accounts for the purchase of cotton and other materials or the manufacture of Ambar Charkhas.

(f) Research.

(g) Training.

(h) Propaganda.

(i) Exhibition.

(j) Conferences and Seminars.

17. *Supplementary Estimates.*— If during any financial year, for any reason, substantial modification of the budget estimates as finally approved by Government is likely to be involved, the Board shall submit, for approval to the Government, supplementary estimates in such form and on such dates as the Government may by order from time to time direct.

18. *Powers to sanction grants and subsidies.* —(1) The Board shall disburse grants and subsidies in accordance with and at the rates and on the terms sanctioned by the Commission, in respect of each industry, from time to time. The Commission may, on its own motion or on the recommendations of the Board, modify or supersede the financial rates and terms previously sanctioned.

(2) The Board may reduce the rates at which grants and subsidies are payable in individual cases to such extent as it thinks necessary, but shall not enhance such rates except with the prior approval of the Commission.

(3) Grants and subsidies shall be paid only to—

(a) a co-operative society registered under the Co-operative Societies Act or under any other law for the time being in force in the State ;

(b) a Gram or Village Panchayat established under any State law for the time being in force ;

(c) an authority set up under any law for the time being in force relating to Bhoodan or Gramdan ;

(d) a trust created for public purposes of a charitable or religious nature ;

(e) an individual or institution engaged in research in Khadi and Village Industries subject to the condition that a grant or subsidy to an individual should not exceed Rs. 5,000/- in any one case, and to an institution it should not exceed Rs. 25,000/- in any one case. The ceiling of. Rs. 5,000/- for an individual and Rs. 25,000/- for an institution may, however, be exceeded with the prior approval of the Commission, or the State Government, wherever necessary ;

(f) any other individiual, authority or body in accordance with the approved pattern and within the ceilings communicated by the Government or the Commission to the Board.

Note: — An "individual" means an artisan or any other worker undertaking activities falling under the purview of the Commission for which grants and subsidies are given.

19. *Powers to grant loans.*— The Board shall grant loans in accordance with the provisions of the Loan Rules for Khadi and Village Industries made by the appropriate Government from time to time and at the rates and on the terms sanctioned by such Government in respect of each industry from time to time.

Explanation:—In this rule 'appropriate Government' shall in relation to loans and grants received from the Jammu and Kashmir Government means the Jammu and Kashmir Government, and in relation to such loans and grants received from the Central Government shall means the Central Government.

20. *Powers to borrow.*— The Board may, with the previous sanction of the Government, borrow on the security of its funds or assests for all or any of the purposes of the Act.

21. *Reports.* —(1) The annual report to be submitted by the Board to the Government, under section 29 of the Act shall be in such form and contain such particulars as the Government may from time to time direct. The report shall be submitted to the Government through the Head of the Department associated with the development of Khadi and Village Industries in the State.

(2) The Board shall submit to the Government and to the Head of the Department associated with the development of Khadi and Village Industries in the State quarterly progress reports in such form and manner as the Government may from time to time direct.

(3) Notwithstanding anything contained in sub-rules (1) and (2), the Government may require special reports from the Board and lay down the manner and the form in which such reports shall be made or may require from the Board answers to questions upon which the Government may need information. The Government may also require the Board to furnish a true copy of each or any contract, agreement understanding or agreement between the Board and any other party.

22. *Accounts.* —(1) The receipts and expenditure of the Board shall be classified under such major, minor and subordinate heads of account as the Government may, in consultation with the Board, direct and shall be shown under such further detailed heads again as the Board may deem necessary for the purpose of administration and control.

(2) Within the six months of the close of each year, the annual statements of accounts referred to in section 31 of the Act shall be prepared showing the financial results of any scheme or works under-taken by the Board in that year.

23. *Powers to write-off losses.* —(1) The Board may, after prior consultation with the Financial Adviser, write-off losses upto Rs. 5,000/- falling under any or all of the following categories :—

(a) loss or irrecoverable value of stores or of public money due to theft, fraud, fire etc. ;

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

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

(2) The Board shall take suitable action against the persons responsible for the loss and shall also send to the Government a detailed report together with the action taken against the persons, if any, responsible

for the loss. The cases involving losses not exceeding Rs. 500/- shall not be reported to the Government unless there are in any case important features which merit detailed investigation and consideration.

Exception :—Nothing contained in this rule shall apply to losses occasioned by irrecoverable loans. Sanction of the Commission or the Government, as the case may be, shall be obtained before such losses are written-off.

(3) The Chairman, the Secretary and Executive Officer duly authorised by the Board may, after prior consultation with the Financial Adviser, write off losses up to an amount indicated below against each falling under any or all of the categories mentioned under sub-rule (1) above :—

Chairman	up to Rs. 2000/-
Secretary	up to Rs. 500/-
Executive Officer	up to Rs. 200/-.

24. *Custody of Common Seal.*— The Common Seal of the Board shall remain in the custody of the Secretary of the Board.

25. *Location of the Board Office.*— The Headquarters of the Board shall be at Srinagar and Jammu from such date to such dates as the Chairman may from time to time determine.