

GOVERNMENT OF JAMMU AND KASHMIR
LAW DEPARTMENT

Srinagar, the 12th May, 1966.

The following Act passed by the Jammu and Kashmir State Legislature received the assent of the Governor on the 6th May, 1966, and is hereby published for general information :-

The Jammu and Kashmir Khadi and Village Industries Board (Amendment) Act, 1966

ACT No. IV of 1966

[6th May, 1966]

An Act to amend the Jammu and Kashmir Khadi and Village Industries Board Act, 1965.

Be it enacted by the Jammu and Kashmir State Legislature in the Seventeenth year of the Republic of India as follows :-

1. **Short title and commencement:**-(1) This Act may be called the Jammu and Kashmir Khadi and Village Industries Board (Amendment) Act, 1966.

(2) It shall come into force atonce.

2. **Amendment of Section 4, Act XVI of 1965:**-In section 4 of the Jammu and Kashmir Khadi and Village Industries Board Act, 1965 (hereinafter referred to as the principal Act)

(a) For sub-section (1) the following sub-section shall be substituted, namely :-

“(1) The Board shall consist of not more than fifteen members and not less than nine members to be appointed by the Government from time to time, excluding the Member Secretary appointed under sub-section (4). Two thirds of the members including Vice-Chairman shall be non-officials who are interested in the constructive activities and who have abiding interest in the Khadi and Village Industries Programmes. From among the official members of the Board, Director Community Development and National Extension Service, Registrar, Co-operative Societies and the Director of Industries and Commerce shall be ex-officio members of the Board”

(b) for sub-section (3) and (4) the following sub-sections shall be substituted, namely :-

“(3) The Government may appoint one or two Vice-Chairmen from amongst the members and they shall exercise such of the power and perform such of the duties of the Chairman as may be prescribed or as may be delegated to them by the Chairman.

(4) The Government shall, after consultation with the Board appoint a Secretary of the Board, who shall also be an ex-officio member”.

3. **Amendment of Section 9, Act XVI of 1965:-**In Section 9 of the Principal Act, for sub-section (3), the following sub-section shall be constituted namely :-

“(3) The Chairman, or in his absence one of the Vice Chairmen, as may be chosen by the members present at the meeting, or if both the Vice-Chairmen are also

absent, such a member as may be chosen by the members present from amongst themselves, shall preside at a meeting of the Board”.

4. **Amendment of Act XVI of 1965**:-In the Principal Act, for the words “Vice-Chairman” wherever occurring the words “Vice-Chairmen” shall be substituted.

Sd/-
T.N. Mattoo
Secretary to Government
Law Department.

PART III

Laws, Regulations and Rules passed thereunder.

GOVERNMENT OF JAMMU AND KASHMIR
CIVIL SECRETARIAT-LAW DEPARTMENT

Jammu, the 12th April 1973

The following Act as passed by the Jammu and Kashmir State Legislature received the assent of the Governor on 6th April, 1973 and is hereby published for general information :-

THE JAMMU AND KASHMIR KHADI AND VILLAGE INDUSTRIES BOARD (AMENDMENT ACT, 1973

ACT No III OF 1973

[6th April,1973]

An Act to amend the Jammu and Kashmir Khadi and Village Industries Board Act, 1965.

Be it enacted by the Jammu and Kashmir State Legislature in the Twenty-fourth Year of the Republic of India as follow :-

1. **Short title**:-This Act may be called the Jammu and Kashmir Khadi and Village Industries Board (Amendment) Act 1973.

2. **Amendment of section 24, Act XVI of 1965**:- In sub-section 24 of the Jammu and Kashmir Khadi and Village Industries Board Act, 1965 (hereinafter referred to the 'principal Act'), the full-stop at the end shall be substituted by a colon and thereafter the following proviso shall be inserted, namely :-

“Provided that the funds received from the Government as grant-in-aid shall be deposited in the Jammu and Kashmir Bank Ltd. Or in its branches.”

3. **Substitution of section 36 in Act XVI of 1965**:- For section 36 of the principal Act, the following shall be substituted, namely :-

“36 Dissolution of the Board-(1) If at any time the Government is satisfied that-

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

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

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

the Government may, by notification in the Government Gazette, direct that the Board shall be dissolved from the date specified in the notification ; and thereupon the Board shall be deemed to be dissolved accordingly ;

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

(2) on and from the said date of dissolution,-

(a) all properties and funds, which immediately before the said date were in the possession of the Board for the purposes of this Act shall vest in the Government ;

(b) all members shall vacate office as members of the Board ; and

(c) all rights, obligations and liabilities, (including any liabilities under any contract) of the Board shall become the rights, obligations and liabilities of the Government ;

Provided that the rights, obligations and liabilities of the Government under this clause shall be only so far as they related to the period after 1st April, 1971.

(3) Any notification issued under sub-section (1) shall not be questioned in any Civil Court.

(Sd/-)
G.A. Khan,
Assistant Legal Draftsman,
Law Department

PART III

Laws, Regulations and Rules passed thereunder.

GOVERNMENT OF JAMMU AND KASHMIR
INDUSTRIES AND COMMERCE DEPARTMENT

NOTIFICATION No

Laws, Regulations and Rules passed thereunder.

S.R.O No. 237.-In exercise of the powers conferred by Sub-section (1) and (2) of section 34 of the Jammu and Kashmir Khadi and Village Industries Board Act, 1965 ; 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.**- 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.

(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.

Term 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 reappointment.

(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 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.

3. 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 involving 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 shares 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 interest 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 or 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 reappointment 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. The Procedure to be followed in the performance of the functions by members of the Boards, 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 rank.

9. Powers of the Chairman:-(1) The Chairman shall be responsible for the proper functioning of the Board and the implementation of its decision 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 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 reappropriation 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 discharges 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 II of the Act 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 documents required under Act or the rules ;
- (v) preparation of the annual budget of the Board in consultation with the Financial Adviser ;

1. The secretary shall keep a record of the members of the Board and their address. 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 there at. He shall also have the right to refer to the Board any matter having financial implications which in his opinion ought to be brought to its notice.

3. The Financial Adviser shall scrutinise and supervise the preparation of 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 effecting 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 power 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 Advisor, he may record his disagreement in regard to a financial proposal.
- (iii) He shall be in over-all charge of cash, valuable and stocks.
- (iv) He shall maintain the accounts of the Board in the manner prescribed by the Government or 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 amount received by the Board.

© He shall pass bills on basis of sanctions accorded by the competent authority.

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

12. Powers and duties of the Executive Officer:- The Executive Officer shall work under the control of the Chairman. He will be entitled to attend meetings of the Board and its

committees 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 Officers 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 Cooperative 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 the 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 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 1st day of April and ending on the 31st day of March following shall be prepared by the Secretary of 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 alongwith 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 the 20th of September of each year. Provided that 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 ;
- (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 clodifacie on 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. 5000/- in any one case and to an institution it should not exceed Rs. 25,000/- in any one case. The ceiling of Rs. 5000/- for an individual and Rs. 25,000/- for an

institution may, however, be exceeded with prior approval of the Commission, or the State Government whoever necessary.

- (f) any other individual, authority or body in accordance with approved pattern within the ceiling 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. Power 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 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.

20. Powers to grant loans:-The Board may, with the previous sanction of the Government borrow on the security of its funds on action 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 statement of accounts referred to in the Section 31 of the Act shall be prepared showing the financial results of any scheme or works undertaken by the Board in that year.

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

- (a) loss or irrevocable value of stores or of public money due to theft, fraud, fire etc.
- (b) loss or irrecoverable advances 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. Sanctioned 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 upto	Rs. 2000/-
Secretary upto	Rs. 500/-
Executive Officer upto	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.

By order of Government of Jammu and Kashmir.

(Sd.)

Secretary to Government.
Industries & Commerce Department

JAMMU AND KASHMIR
KHADI AND VILLAGE INDUSTRIES BOARD
REGULATIONS

In exercise of the powers conferred by section 35 of the Jammu and Kashmir Khadi and Village Industries Board Act, 1965 (Act No. XVI of 1965) the Jammu and Kashmir Khadi and Village Industries Board with the previous sanction of the Government hereby makes the following regulations:-

1. **Short title** :- These Regulations may be called the Jammu and Kashmir Khadi and Village Industries Board Regulations, 1967.

2. **Definitions** :-In these regulations, unless the context otherwise requires-

(a) "Act" means the Jammu and Kashmir Khadi and Village Industries Board Act, 1965 (Act No. XVI of 1965)

“Board” means the Board constituted under section 4 of the Act;

- (c) “Chairman” means the Chairman of the Board;
- d) “Vice Chairman” means the Vice-Chairman of the Board.
- e) “Secretary: means the Board of the Board;
- f) “Executive Officer” means the Executive Officer appointed under section 12 of the Act;
- g) “Government” means the Government of Jammu and Kashmir;
- h) (i) “Financial Advisor” means the Financial Advisor appointed under section 5 of the Act;
- (ii) “Standing Finance Committee” means Standing Finance Committee constituted under section 13 of the Act;
- (iii) “Committee” means a Committee constituted under section 14 of the Act;
- (iv) “Commission” means Khadi and Village Industries Commission constituted under section 4 of the Khadi and Village Industries Commission Act, 1956 (61 of 1956)
- i) “Rules” means the rules made by the Government under section 34 of the Act.

3.The terms and conditions of appointment and service and the scale of officers and servants of the Board :-The Board may adopt for its employees scales of pay and allowances taking into account the rates fixed by the Government for employees of similar categories provided that the prior sanction of

Government shall be taken in fixing scales of pay in respect of posts the maximum of the pay of which exceeds Rs. 400/- p.m.

4.The Board may employ persons, wherever necessary, on fixed monthly remuneration (including allowances) or on daily wages. Prior sanction of Government in such cases shall be taken if such monthly remuneration exceeds Rs. 400/- p.m. or daily wages exceed Rs. 10/-

5.The Board may appoint honorary workers if it is necessary to do so in the interest of the work of the Board and may pay them such honoraria and travelling and daily allowances as it considers necessary. The appointment of honorary workers shall be subject to such terms and conditions as may be settled with prior approval of Government. Prior sanction of Government shall be taken where the amount of the honorarium exceeds Rs. 400/- p.m. or the fixed amount of honorarium exceeds Rs. 500/- in any case.

6.Subject to the provisions of the Act, rules and those regulations, the Board shall lay down the terms and conditions of service of all its employees and honorary workers (other than the Secretary, the Financial Advisor.) **Inter alia** these terms and conditions shall cover matters such as age limits at the time of appointment in case of any employee or class of employees, etc. The board may by order in writing relax any of these terms and conditions wherever it thinks it necessary to do so in the interest of the work of the Board.

7.In the case of permanent servants of the Central Government or any State Government including the State of Jammu and Kashmir or the Commission, whose services are lent to the Board, the terms and conditions of service (including their pay, travelling allowance, daily allowance leave, provident fund, leave salary, and pension contribution) shall be such as may be laid down at the time of their deputation to the Board.

8.The Board may grant study leave to its employees in order to enable them to undertake study or research or to obtain

specialised training in scientific, technical or economic subjects connected with the work of the Board subject to such terms and conditions as may be prescribed by the Board.

9. The Board may, with the prior approval of the Government make regulations regarding.

- (a) The grant of gratuity to its permanent servants;
- (b) Medical aid to be given to its employees from the fund of the Board;
- (c) The Institution of contributory provident funds for the employees ; and
- (d) Conduct and discipline of its employees and appeals from orders in relation thereto.

10. **Certificate of Health:**-Every employee of the Board shall produce a medical certificate of health from such authority as may be prescribed by the Board from time to time. Such certificates shall be produced within one month from the date of appointment ;

Provided that an employee is transferred from the Central Government or any State Government including the Government of Jammu and Kashmir or the Commission shall not be required to produce such certificate, if he has already produced it during the period of his service under the Government or the commission.

11. The Board, may by order in writing, waive the condition regarding the production of health certificate altogether in special cases if it deems it necessary to do so in the interests of the work of the Board.

12. The Board may for sufficient cause extend the period within which the medical certificate has to be produced.

13. An employee discharged due to inability to secure the necessary medical certificate shall not be Re-employed under the Board without his producing such certificate in advance.

14. A fresh certificate of health shall not be needed if a discharged person is re-employed under the Board within six months of the date of the certificate produced during the previous period of service.

Probation and Trial period, confirmation and superannuation

15. All employees of the Board recruited against permanent vacancies shall be on probation for twelve months and all such employees recruited against temporary vacancies shall be on a period of trial for three months. Such period of probation on trail may be extended by six months in individual cases by the appointment authority if he considers it necessary to do so, but in every such case, the officer issuing the order, shall within ten days of the issue of the order inform the Executive Officer of the action taken.

16. (1) After satisfactory completion of the trial period employees will be continued in the temporary posts.

(2) Employees recruited against permanent vacancies will be confirmed therein after satisfactory completion of probation, provided that the work and conduct of the employee has remained satisfactory.

17. (a) All employees of the Board (other than honorary workers and permanent Government servants) shall ordinarily retire on the date of completion of the age of 55 years :

Provided that the Board may extend their services upto the age of 60 years or later, by a special resolution in each case or re-employ them on specific fresh terms of service.

Provided further that the period of extension or re-employment after the age of 55 years shall not exceed one year at a time.

(b) The Board may also make fresh appointment of person aged over 55 years for a period not exceeding one year at a time.

Terminations of Services-

18. During the period of trial, the services of a temporary employee may be terminated by the appointing authority or an authority superior to the appointing authority without notice and without assigning any reasons.

19. After satisfactory completion of the period of trial , the services of temporary employees may be terminated without assigning any reason by notice of one month or by payment of salary of one month (with allowance) in lieu of notice.

20. The service of an employee appointed on probation against a permanent post may be terminated by the appointing authority or an authority superior to the appointing authority during the period of probation without notice and without assigning any reason.

21. After satisfactory completion of the period of probation the service of an employee in permanent employment may be terminated if his post is abolished.

Provided that the services of an employee in permanent service shall not be liable to termination under this regulation, so long as any post of the same grade and class or cadre and under the same appointing authority continues to be held by any person junior to him :

Provided further that such an employee may be offered an alternative appointment, if vacant, suitable to his qualifications and experience and if he accepts that appointment, his services shall not be terminated.

22. (a) No employee in permanent service shall quit his service under the Board without first having his resignation accepted by the competent authority.

(b) When, owing to the abolition of permanent post an employee in the permanent service of the Board is discharged from the Board's service, he shall be entitled to three calendar months notice signifying the Board's intention to terminate his appointment or in lieu thereof of sum equivalent to his pay for the period by which the notice actually given falls short of the prescribed period.

23. Travelling Allowance:- Employee of the Board shall be eligible for travelling and daily allowance for journeys on tour or on transfer at such rates and according to such condition as may be prescribed by the Board with the prior approval of the Government. Until such rates and conditions are prescribed by the board. The employees of the board shall draw travelling and daily allowances at rates and condition prescribed by the employees of corresponding grades.

Controlling Officer:

24. (i) The Chairman shall be the controlling officer in respect of own travelling and daily allowances bills.

(ii) The Chairman shall be controlling officer in respect of travelling and daily allowances bills of the Vice-Chairman, Members and the Secretary of the Board.

(iii) The Financial Adviser and Chief Accounts Officer shall be the controlling officer in respect of the Travelling and daily allowance bills of the officer and other staff of the Account wing.

(iv) The Secretary, shall be the controlling officer in respect of the travelling and daily allowance bills of the Financial Adviser and Executive Officer.

(v) The Executive Officer shall be the controlling Officer in respect of the travelling and daily allowance bills of the employees of the Board other than the employees of the

accounts wing and non-officials other than employees of the members of the Board.

Daily Allowance :

25. Daily allowance shall not be drawn at full rate any of the employees of the Board for a continuous half of more than 10 days at anyone place while on tour :

Provided that the Chairman may by order in writing, grant general or individual exemption from the operation of his regulation if he thinks it necessary in respect of the following officers, if prolonged halts are necessary in the interest of the work of the Board :-

1. Secretary
2. Financial Adviser
3. Executive Officer

26. The power to grant general or individual exemption from the operation of regulation 25 shall be exercisable by the Secretary in respect of all other employees.

Leave and leave allowance :

27. Leave and leave allowances of the employees of the Board shall be regulated according to the rules and orders applicable to the employees of the Government who are in receipt of corresponding scales of pay :-

Provided that the Board may, with the prior approval of Government either frame fresh rules on the subject or make necessary changes in the rules and orders aforesaid.

Promotions and advance increments :

28. (i) Promotions shall ordinarily be made strictly on the basis of seniority, provided the senior most person is also suitable on the basis of merit.

(ii) The Board may grant higher initial salary or sanction advance increments in favour of an employee of the Board;

Provided that in case of grant of advance increments the concurrence of the Financial Advise shall be obtained.

Deputation abroad in connection with work of the Board:

29. The Board may, with the prior sanction of Government depute any member of the Board or any of its employees to proceed outside India in connection with its work. The Board, may issue orders, with the prior approval of Government regarding the grant of funds to persons deputed outside India.

Time and place of the meeting of the Board :

30. (i) Subject to the provision of section 9 of the Act, the Board shall hold an ordinary meeting on such date and at such time and place as may be fixed by the Chairman.

(ii) The Secretary shall send an intimation of the date, time and place and also a copy of the agenda of the ordinary meeting to the members of the Board at least 15 days before the date fixed for the meeting.

(iii) Notice sent by ordinary post on the address of the member as maintained in the books of the ordinary meeting shall be considered to be a sufficient compliance of sub-regulation (ii).

32. **Special meetings.**- The Chairman may, whenever he considers necessary so to do, call a special meeting of the Board.

(ii) The Chairman shall call atleast one special meeting every year for the purpose of preparing the budget and the programme for the next financial year in the month of July or

August. A special meeting may also be called if two third of the members of the Board in writing so desire. The desire, time and place of every such special meeting shall be fixed by the Chairman.

(iii) The Secretary shall send telegraphic intimations of every special meeting to all the members atleast five years clear days before the date fixed for the meeting.

32. One third of the total number of members of the Board shall form a quorum for every meeting of the Board;

Provided that where a meeting is adjourned for want of quorum it shall be lawful to dispose of the business at such an adjourned meeting irrespective of the number of the members attending at the adjourned meeting.

33. The Chairman, Vice-Chairman or any other member presiding may bring or allow to be brought for the consideration of the Board any matter not included in the agenda of a meeting of the Board on which the advice is required and the Board may consider the matter at such meeting.

34. The minutes of the proceedings of each meeting shall be recorded and compiled by the Secretary and shall be placed by him for confirmation before the Board in its next meeting.

35. Summoning and holding of meetings and the conduct of business of a Committee constituted under section 14 of the Act.-(1) The date, time and place of every meeting of a Committee constituted under section 14 of the act shall be fixed by its Chairman and shall be communicated by the Secretary to the Committee to all members of the Committee together with a list of business to be transacted at the meeting and no business which is not shown in the list may be transacted except with the permission of the Chairman of the Committee.

(ii) 2/3rd of the members of such Committee shall form quorum for a meeting except for an adjourned meeting for which no quorum shall be necessary ; if at any meeting there is no quorum the Chairman, or the person presiding at such meeting shall adjourn the meeting and fix any other time on the same day or another day for the adjourned meeting.

(iii) All matters coming before the Committee shall be decided by the majority of the members present. In case of equality of votes, the Chairman or the member presiding shall exercise a second or a casting vote.

(iv) The Committee shall forward its recommendations to the Chairman of the Board to place the same before the Board, as soon as may be thereafter, for consideration of the Board.

36. Custody of money required for current expenditure of the Board and invest money not so required:-(i) All money of the Board with exception of petty cash kept at deposit in accordance with these Regulations shall be paid in the fund of the Board which shall be deposited or invested in accordance with section 24 of the Act.

(ii) The petty cash required for meeting current expenditure shall be in the custody of the Executive Officer. The Board may decide the amount of petty cash thus maintained from time to time.

(iii) The Board may advance an imprest small amount of money not exceeding Rs. 500/- in any one case to any of the officers for incurring petty expenditure within the powers delegated to them. The officers to whom such amounts are advanced shall be personally responsible for them and they shall also be responsible for maintaining proper accounts, in the form prescribed by the Board.

37. Procedure for payments, deposits and investments on behalf of the Board.-All payments other than

payments relating to salaries, wages and allowances by or on behalf of the Board shall be made by cheques drawn against the current accounts of the Board; payment in respect of individual claims not exceeding Rs. 200/- may, however, be made in cash.

38 (1) The Board may authorise any of the officers of the Board to maintain a separate current account in the Banks under section 24(3) of the Act for depositing funds placed at his disposal in connection with the work of the Board.

(2) In case of provincial offices the petty cash for the purpose not exceeding Rs.100/- shall be in the custody of the Assistant Executive Officers.

(3) For day to day work of the departmental centres, an amount of Rs.100/- shall be kept at the disposal of the concerned in charges of such centres as an imprest.

39. Maintenance of Accounts.-(i) The Chief Accounts officer shall maintain or cause to be maintained an account of receipts and expenditure of the Board in the form prescribed by the Government or Commission from time to time.

(ii) He shall also prepare or cause to be prepared such statements of accounts and records and subsidiary accounts as may be required by the Government or by the Board from time to time.

40. Financial Powers:- The Board may delegate necessary financial powers to its officers for ensuring expeditious disposal of work and smooth and efficient functioning of the Organisation. The Board may make suitable rules in this behalf for the guidance of its staff in order to ensure that these powers are judiciously used by the officer concerned.