GOVERNMENT OF WEST BENGAL

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

THE WEST BENGAL KHADI AND VILLAGE INDUSTRIES BOARD RULES, 1960.

In exercise of the powers conferred by 32 of the West Bengal Khadi-and Village Industries Board Act, 1959, (West Bengal Act XIV of •-l959), the-Governor is pleased hereby to make' the following rules namely:-

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CHAPTER - I

PRELIMINARY

1. Short title -Those rules may may be called the West Bengal Khadi and Village, Industries Board Rules 1960.
2. Definitions - In these rules, unless the context otherwise requires -

(a) "tho Act" means the.West Bengal Khadi and Village Industries Board Act, 1959 (West Bengal Act XIV of 1959) ;

(b) "the Board" means' the Board established under section 3 ;

(c) "Chairman" means the. Chairn.an .of the Board appointed under Sub-Section (2) of Section 4;

1(d) "Chief Executive Officer" means the Chief Executive Officer of the Board appointed under clause (a) of Section 5 ;

2(dd) "Financial Adviser" means the Financial Adviser of the Board appointed under clause (c) of Section 5 ;

(e) "Forrn" means form appended- to these rules ;

(f) "financial year" means the year commencing on the 1st day of April ;

(g) "section" means a section of the Act ; -and

3(h) "Secretary" means the Secretary of the Board appointed under clause (b) of Section 5 ;

4(i) "Vice-Chairman" means the Vice -Chairman of the Board appointed under Sub-Section (3) of Section 4;

CHAPTER -II

TERMS AND CONDITIONS OF OFFICE

3. Terns of office - Save as hereinafter provided, a member of the Board shall hold office for three years :

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1. Sub. under Notification No.394-Cot(VI) dt. 20-1-86
2. Inserted under Notification No.394-Cot(vl) dt. 28-1-86
3. Substituted under Notification No. 394-Cot(VI) dt. 28-1-86.
4. Same as in 2,

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Provided that if the Board is dissolved by the State Government under Section 31, the members shall cease to hold office.

4. Disqualifications for membership of the Board - A person shall be disqualified for being appointed as, and for being, a member of the Board -

a) if he is found to be a 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 directly or indirectly any 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 Section 3 of the Companies Act, 1956 (of 1956) ;

Provided that where ho is a share-holder, he will disclose to the Government the nature and extent of shares held by him in such a company ;

Provided also that membership of a Cooperative Society shall be no disqualification as long as; the person concerned is not a Director ; or

(e) if he has any financial interest in any business undertaking dealing with Khadi any Village industries as defined in clause (d) of section 2 :

Provided that this shall not apply in the case of Cooperative Societies, where the member concerned is not a Director ; or

(f) If in the opinion of the State Government he has failed or is unable to carry out his duties; or

(g) If he absents himself from three consecutive meetings of the Board without the leave of the Board.

5. Removal from the Board - The' State Government may, by notification in he "Official Gazette remove from office any member of the Board who is or becomes subject to any of the disqualifications mentioned in rule 4;

Provided that before issuing such notification the State Government shall give an opportunity, to the member concerned to show cause against such removal.

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6. Casual Vacancies - A member appointed to fill a casual vacancy shall bold office for so long as the member whose place he fills would have been entitled to hold office if the vacancy had not occurred.

7. Salary and Allowances-5(i) The Chairman 6[the Vice-chairman] and other non-official members of the Board shall not be entitled to any salary but shall draw such honorarium and other allowances as may be fixed .by orders issued by the State Government from time to time. They shall also draw traveling and daily allowances for journeys' performed for attending the meetings of the Board and for the purpose of discharging such duties as may be assigned to them by the Board in accordance with the rules and orders issued by the State Government from tine to time at the rates admissible to Government servants of the first grade.

(2). The terms and conditions of office (including the salaries, honorarium and allowances) of the chief Executive Officer, the Secretary and the Financial Adviser shall be such as the State Government may prescribe by rules.

8. Office of the Board - The office of the' Board shall be located in Calcutta or at such other place as the State Government nay from time to time direct. ,

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5. Substituted under Notification No.5411-Cot dt. 12-6-68
6. Substituted under Notification No. 394-Cot(VI) dt. 28-1-86
7. Same as in Sl. 6.

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CHAPTER - III

POWERS OF CHAIRMAN, CHIEF EXECUTIVE OFFICER,SECRETARY AND FINANCIAL ADVISER AND STANDING FINANCE COMMITTEE

9. Powers of the Chairman - The Chairman shall generally discharge such functions and exercise such powers as may be considered necessary or expedient for the purpose of securing the efficient discharge of the functions of the Board and shall, in particular, exercise the following powers **:-**

(i) The Chairman or, in his absence, the Vice-Chairman shall, for the transaction for the business of the Board, in case of urgency, exercise all the powers and perform all the duties required to be exercised and performed under the Act, the rules or the regulations by the Board, except the powers of sanctioning loans and grants or exgratia payment :

Provided that the Chairman or the Vice-Chairman, as the case may be, shall not act in opposition to or in contravention of any order given or decision taken by the Board at its meeting.

(ii) All orders passed and acts done by the Chairman or, in his absence, by the Vice-Chairman in exercise of his power and performance of his duties under clause (i) shall be placed for confirmation before the Board at its meeting immediately following.

(iii) The Chairman shall have the power to call for any record of the Board or any report from the Chief Executive Officer to satisfy himself that the affairs of the Board are being conducted in accordance with the decisions of the Board.

(iv) The Chairman shall be Appellate Authority in respect of all employees of the Board of which the Chief Executive Officer is the Appointing Authority.

(v) The Chairman may delegate any of his powers wholly or partly to the Vice-Chairman for the efficient functioning of the Board subject to the responsibility, of the Chairman.

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8. Substituted by Notification No.394-Cot(VI) dated 28-1-86

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(vi) The Chairman shall be the Controlling Officer in respect of the bills relating to the travelling allowances and daily allowances of the Chief Executive Officer, the Secretary and the Financial Adviser and the non-official|members of the Board including the Chairman.

(vii) The Chairman' shall be the appointing authority in respect of all posts belonging to Group 'A' and the Board shall bo the Appellate Authority in respect of officers holding such posts.

10. Powers and functions of the Chief Executive Officer **: -**

(i) The Chief Executive Officer shall be the principal administrative officer of the Board and all other officers and employees of the Board shall be subordinate to him.

(ii) The Chief Executive Officer shall be the appointing authority in respect of all officers, except those belonging to Group 'A', and employees of the Board, except the Secretary and the.Financial Adviser.

(iii) The Chief Executive Officer shall supervise and control the work of all officers and employees Of the Board.

(iv) The Chief Executive Officer shall be responsible for ensuring the implementation of the decisions of the Board.

(v) The Chief Executive Officer shall -

(a) Cause important papers and matters requiring attention of the Board to be presented to the Board as early as practicable

(b) maintain or cause to be maintained an account of the receipt and expenditure of the Board in consultation with the Financial Adviser and

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

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(vi) The Chief Executive Officer may sanction 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 object of the Act, subject to necessary provisions in the budget.

(vii) The Chief Executive Officer may delegate any of his powers wholly or partly to the officers subordinate to him, with the approval of the Chairman,for the efficient functioning of the Board's office.

(viii) The Chief Executive Officer shall attend, and participate in, all meetings of the Board, but shall not be entitled to vote. He however shall have the right to record his views in case he disagrees with any resolution adopted by the board.

(ix) The Chief Executive Officer shall have power (a) to institute or defund legal proceedings by or on behalf of the Board, subjected to the approval of the Chairman and (b) to enter into compromise or refer any dispute to arbitration for and on behalf of the Board, subject to the approval of the Chairman.
(x) The Chief Executive Officer shall do all other acts that are necessary for carrying on generally the day-to-day administration of the Board.

(xi) The-Chief Executive Officer shall examine application for assistance and place the same before the Standing Finance Committee/Board for sanction.

(xii) The Chief Executive Officer shall have the right to refer to the Board any matter which in his opinion ought to be brought to the notice of the Board.

(xiii) The Chief Executive Officer shall have the right to record his opinion in consultation with the Financial Adviser on any proposal for incurring expenditure from funds of the Board, prior to the consideration of such proposal by the Board.

(xiv) The Chief Executive Officer may perform such other duties and exercise such other powers as may be assigned to him by the Board or the State Government fron time to time.

(xv) In the event of any difference of opinion between the Chief Executive Officer and the Board with regard to any matter concerning the affairs of the Board not covered by the Act, the rules and the regulations, the Chief Executive Officer nay refer the matter to the State Government and the decision of the State Government there on shall be final.

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10. Powers of the Secretary and the Financial Adviser

(1) The Secretary shall work under the general control and supervision of the Chief Executive Officer and shall generally assist, the Chief Executive Officer and exercise such powers of the Chief Executive Officer as may be delegated to him and, in particular, shall exercise the following powers and duties **:-**

(i) Convening of meetings of the Board and the Committees;

(ii) Drawing up of agenda for each meeting under directions of the Chief Executive Officer and the Chairman and supplying the same to each member of the Board along with the notice of the meeting ;

(iii) Maintenance of the minutes of the meeting of the Board and the committee.

(iv) Furnishing to the State Government all reports including annual reports and returns and necessary documents required under the Act or the rules ;

(v) Discharging such other duties, as may be assigned to him by the Chief Executive Officer from time to time.

(2) The Secretary shall keep a; record of the members of the Board and their address. If a member changes his address, he shall notify his now address to the Secretary who shall thereupon enter his new address in the- record. But if the member fails to notify his new address, the address on official record shall for all purpose, be deemed to be the member's address.

(3) The Financial Adviser shall work under the general control and supervision of the Chief Executive Officer. He shall be entitled to attend the meetings of the 'Board, but shall not be entitled to vote.
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(n) maintain (contd.) 8

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(a) maintain or cause to be maintained an account of the receipt and expenditure of the Board and act as the Drawing and Disbursing Officer in respect of all the employees of the Board ;

(b) Prepare annual budget estimates and supplementary budget estimate under the direction of the Chairman and the Chief Executive Officer and place these before the Board along with the views of the Chief Executive Officer.

(C) receive all moneys on behalf of the Board and issue receipts in effectual discharge of the moneys stated to have been, received therein;

(d) operate accounts of the Board lying with the Bank singly upto such limits and with such other officers of the Board beyond that limit as the Board nay direct;

(e) draw, accept, endorse or negotiate all bills of exchange, promissory notes,debentures, securities
and other documents standing; in the name of or hold by, the Board.

(f) advise the Chief Executive Officer, the Standing Finance Committee and the Board on all natters having financial implication;

(g) have the right, in consultations with the Chief Executive Officer to refer to the Board any matter having financial implication Which in his opinion should be brought; to the notice of the Board;

(h) have the authority to advise the Board in consultation with the chief executive officer that a particular decision of affecting the financial, policy of the State Government should be referred to the State Government for consideration.

(i) arrange disbursement of funds-rafter approval by the competent authority;

(j) arrange for the maintenance of proper accounts of the Board;

(k) arrange internal checking of,the accounts of cooperative Societies/Institutions/Individuals receiving financial assistance error the Board;

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(l) Cause preparation of annual reports of accounts for submission to the State Government or to the khadi and village industries commission;

(m) arrange of the maintenance or proper accounts and arrange disbursement of contributory Provident Fund of the board.

(n) perform such other duties and exercise such other powers as may be assigned to him by the board or the chief executive officer from time to time.

11. powers and functions of the standing finance committee

The standing finance committee shall have the following duties:-

i) to examine and consider the annual budget of the board including supplementary budget before submission on to the board/khadi and village industries commission and the state government.

ii) To deal with the application for sanction of financial assistance referred to the committee by the board.

iii) To examine and consider the proposal for opening of the direct production centers and gramins and to make recommendations to the board.

iv) To recommend creation of posts to the board.

v) To consider the proposals for expenditure beyond the financial powers of the chief executive officer.

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vi) to exercise such other powers and perform such other functions as nay be delegated to it by the Board or by the State Government from time to time.

CHAPTER - IV

ANNUAL PROGRAMME, BUDGET AND ACCOUNTS

12. Annual programme - (I) The programme, of work referred to,in section 15 shall be prepared by the board during every financial year, for the next financial year in Form I and shall be forwarded to the State Government before the 50th September in the year in which it is prepared :

Provided that for the year 1960-61 the Board may work according to the programme and budget as prepared by the Director of Industries, West Bengal,and approved by the State Government.

(2) A supplementary programme, if. any, under section 16 shall be prepared by the Board in any financial year in Porn II and shall be forwarded to the State Government before the 30th June in that year.

13. Budget - (I) Two separate budgets, namely, Khndi Budget and the Village Industries Budget referred to in section 17 shall be prepared by the Board during every financial year for the next financial year in Form III and shall be submitted to the State Government before the 1st October in the year in which it is prepared.

(2) A supplementary budget, if any, referred to in Section 18 in any financial year shall be prepared by the Board in Form IV and shall be submitted to the State Government in the first week of January in that year.

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14. Annual Report - (1) The Annual report referred to in Section 26 shall be prepared by the Secretary in Porn V under the direction of the Chairman 9[and the Chief Executive Officer] and shall be paid before the Board. After the report is approved by the Board, copy of the report shall be forwarded to the State Government and the Director of 10 [Cottage and Snail Scale Industries] West Bengal before the expiry of the period specified in the said section.

(2) The Secretary shall, under the direction of the Chairmen 11[and the Chief Executive Officer] prepare quarterly progress report in Form VI. The report shall be laid before the Board. After the report is approved by the Board,copy of the report shall be forwarded to the State Government and the Director 12[Cottage and Snail Scale Industries] West Bengal.

15. Annual Statement of Accounts - (I) Within six months of the close of each financial year, the annual statement of accounts referred to in sub-section (I) of section 24 shall be prepared in Form VII showing the financial results of any schemes, works or under takings by the Board in that year.

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9. Inserted by Notification No.394-Cot(VI) dt. 28-1-86 C. & S.S.I.Deptt.,
.10. Substituted by Notification as in SI. 9.
11. Inserted by Notification No.394-Cot(VI) dt. 28-1-66
12. Substituted by Notification No.394r-Cot(VI) dt. 28-1-66.

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15.(2) - The accounts shall be maintained in the forms and registers mentioned below **:-**

Form No. VIII - Cash Book.
Form No. IX - Subsidiary Accounts in Cash Book.
Form No. X - Classified Abstract of Receipts/Disbursements.
Form No. XI - Register of Securities.
Form No. XII - Receipt for payment to the Board.
Form No. XIII - Register of Cheque Books,
Forrn No. XIV - Register of Stock of-Receipt Books.
Form No. XV - Register of Stock of Furniture
Form No. XVI - Register of Advance Permanent/Temporary.
Ferm No. XVII - Annual Account of Receipts/Expenditure.

16. Contracts (I) The Board may, in furtherance of the object under the Act, enter into contracts provided provision therefore, exists in the sanctioned budget

(2) The Board nay delegate to the Chairman, the Chief Executive Officer or the Secretary such powers for entering into contracts, signing of agreement or execution of bonds or undertakings o its behalf as it may think fit.

(3) No contract shall be binding on the Board unless it is executed by the Chairman, the Chief Executive Officer or the Secretary.

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13. Omitted by Notification No. 394-Cot (VI) dated 28-1-86.
14. Substituted under Notification Nc.394-Cot (VI) dated 28-1-86.

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(4) The Chairman, the Chief Executive Officer, the Secretary or any member of the Board shall not be liable for any assurance or contract made by the Board,and the liability arising out of ouch assurance or contract shrill be discharged from the moneys at the disposal of the Board.

CHAPTER - V

MISCELLANEOUS

17. Power to make grants - (1) The board shall disburse grants in accordance with and at rates and on terns sanctioned by the State Government in respect of each Industry from time to time. The State Government may, or its motion or on the recommendation of the Board or of "the Khadi and Village Industries Commission modify or supersede the financial rates and terms previously sanctioned.

(2) The Board nay reduces the rate at which grants are payable in individual cases to such extent, as it thinks necessary,but shall not enhance such rates exception with the prior approval of the State Government.

15(3) Deleted.

18. Power to advance loans - The Board shall advance loans in accordance with and at rates and on terns sanctioned by the Govornment in respect of each industry from time to time.

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15. Deleted under Notification No.l896-Cot(VI) dated 6-5-81.

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19. Power to borrow - The Board may, with the previous sanction of the State Government, borrow on the security of its funds or assets.

20. Power to write off losses - (1) The Board may write off losses up to Rs.1,000/- per annum in the following cases **:-**

(a) loss of irrecoverable value of stores or of public money due to theft, fraud or the negligence of individuals or other cases;

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

(c) deficiency and depreciation in the value of stores subject to the conditions —

(i) that the loss does not disclose a defect of system, the amendment of which requires the orders of the State Government; and

(ii) that there has not been any serious negligence or the part of individual employee or employees of the Board which night possibly call for disciplinary action requiring the orders of the state Government.

(2) The Board shall take suitable action against the persons responsible for the loss and send a report to Government on the action taken.

Exception — Nothing contained in this rule shall apply to losses occasioned by irrecoverable loans. Sanction of the State government shall be obtained before such losses are written off.

21. Custody of common on seal - The common seal of the Board shall remain in the custody of 16[The Secretary] of the Board.

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6. Substituted under notification No. 394-Cot (VI) dt. 28-1-86.