

## **Goa, Daman And Diu Khadi And Village Industries Board Rules, 1967**

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### **Goa, Daman And Diu Khadi And Village Industries Board Rules, 1967**

In exercise of the powers conferred by sub-sections (1) and (2) of section 34 of the Goa, Daman and Diu Khadi and Village Industries Board Act, 1965 (No. 9 of 1965) and in supersession of the Government Notification No. I & L/1515/66 dated 6th December, 1966, the Government of the Union Territory of Goa, Daman and Diu hereby makes the following rules:-

### **CHAPTER 1 Preliminary**

#### **1. Short Title :-**

These rules will be called the Goa, Daman and Diu Khadi and Village Industries Board Rules, 1967.

#### **2. Definitions :-**

In these Rules, unless the context otherwise requires:

- (a) "act" means the Goa, Daman and Diu Khadi and Village Industries Board Act, 1965 (No. 9 of 1965);
- (b) "the Board" means the Board constituted under section 3 of the Act;
- (c) "Chairman" means the Chairman of the Board;
- (d) "Financial Adviser" means the Financial Adviser appointed under section 5 of the Act;
- (e) "Government" means the Government of Goa, Daman and Diu;
- (f) "Standing Finance Committee" means a committee constituted under section 13 of the Act;
- (g) "Vice-Chairman" means the Vice-Chairman of the Board.

### **CHAPTER 2 Term of Office**

#### **3. Section 3 :-**

Save as hereinafter provided, a member of the Board shall hold office for such period not exceeding three years as may be prescribed in the notification of his appointment which shall be notified in the Official Gazette and shall be eligible for reappointment.

#### **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 any financial interest in any subsisting contract with or in any work being done for the Board except as a shareholder (other than a Director of Managing Agent) in a company as defined in section 3 of the Companies Act, 1956, provided that where he is a shareholder, 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.

#### **5. Removal From The Board :-**

The Government may, by notification in the Official Gazette, remove from office any member of the Board who:-

- (a) is or becomes subject to any of the disqualifications mentioned in rule 4; or
- (b) in the opinion of the Government has failed or is unable to carry out his duties, so as to render his removal necessary; or
- (c) absents himself from three consecutive meetings of the Board without leave of the Board:

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

#### **6. Casual Vacancies :-**

- (1) When a member dies or resigns or is removed from office, the Government may by notification in the Official Gazette, appoint a person to fill the vacancy.
- (2) A member appointed to fill a casual vacancy shall hold office so long as the member whose place he fills would have been entitled to hold office if the vacancy had not occurred.

#### **7. Salary Or Honorarium And Allowances Payable To Members :-**

- (1) The Chairman, the Vice-Chairman and other members of the

Board shall be paid such salary or honorarium and allowances from the funds of the Boards as the Government may from time to time fix.

(2) The Chairman, the Vice-Chairman and other members of the Board shall also be entitled to draw travelling and daily allowances for journeys performed for attending the meetings of the Board or 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 Government from time to time, at the highest rate admissible to Government servants of Grade I.

(3) The Chairman shall be entitled without payment of rent to the use of a furnished residence. The accommodation shall be furnished as prescribed by the Government at a total cost not exceeding Rs. 500/-.

(4) Notwithstanding anything contained in sub-rules (1) and (2) the Chairman, the Vice-Chairman or any other member of the Board, who is also a member of Parliament or of the Legislature of a State or Union Territory, shall not be entitled to any remuneration other than compensatory allowance as defined in clause (a) of section 2 of the Parliament (Prevention of Disqualification) Act, 1959, or, as the case may be, other than the allowances, if any, which a member of the Legislature of the State or Union Territory may, under any law for the time being in force in the State or Union Territory relating to the prevention of disqualification for membership of the State Legislature or Union Territory Legislature, receive without incurring such disqualification.

#### **8. Chief Executive Officer :-**

The Board shall appoint a Chief Executive Officer and shall prescribe his functions, duties and powers from time to time. He will be entitled to attend all the meetings of the Board, and the Standing Finance Committees but will not be entitled to vote.

#### **9. Office Of The Board :-**

The office of the Board shall be located at Panjim or such other place as the Government may from time to time direct.

#### **10. Constitution Of Standing Finance Committees :-**

(1) The Board shall constitute, by a resolution, the following Standing Finance Committees:

- (i) Standing Finance Committee (Khadi).
- (ii) Standing Finance Committee (Village Industries).

(2) Each Committee shall consist of not less than three members appointed from amongst the members of the Board.

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

(4) Each Committee shall appoint one of the Officers of the Board (other than the Chief Executive Officer) to perform the duties of its Secretary.

### **CHAPTER 3** Powers of the Chairman, Secretary and Financial Adviser

#### **11. 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 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 be maintained an account of the receipt and expenditure of the Board; and

(d) 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 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 Departments and officers of the Board.

(4) The Chairman 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 objects of the Act, subject to necessary provisions in the budget.

#### **12. Duties And Functions Of Vice-Chairman :-**

The Vice-Chairman shall assist the Chairman in the 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 the Chairman.

### **13. Powers Of The Secretary Of The Board :-**

(1) The Secretary shall work under the general control of the Chairman who may delegate to him such powers and duties as the Chairman may consider necessary including the following powers and duties:

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

(ii) drawing up agenda for each meeting under the Chairmans directions 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;

(iv) furnishing to the Government all reports including annual 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. If a member changes his address, he shall note, his new 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 the official record shall for all purposes be deemed to be the members address.

### **14. Powers Of The Financial Adviser :-**

(1) Financial Adviser shall advise the Board on all matters relating to receipts and expenditure.

(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 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 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.

(4) The Financial Adviser shall have the right to record his views on every proposal involving expenditure from the funds of the Board prior to the consideration and approval of such proposal by the

Standing Finance Committee concerned or by the Board.

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

#### **CHAPTER 4 Budget, Accounts and Audit**

##### **15. Preparation And Submission Of Annual 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 or such officer as may be empowered by the Chairman in this behalf sufficiently in advance of the date fixed in sub-rule (4) in accordance with sub-rule (6).

(2) A copy of the budget estimates so prepared 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 for a year as approved by the Board shall be submitted to the Government so as to reach by the 15th of August of the preceding year, at the latest both for Khadi as well as Village Industries.

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

(a) Administration.

(b) Subsidies and grants.

(c) Loans.

(d) Trading accounts.

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

(f) Research.

(g) Training.

(h) Propaganda.

(i) Exhibition.

(j) Conferences, seminars, etc.

(7) The expenditure under the head "Administration" shall be further classified under the following sub-heads:

(i) Khadi and Ambar Charkha Scheme,

(ii) Village Industries Scheme,

(iii) Central Office of the Board and

(iv) All other items of administrative expenditure not included in (i) to (ii) above. Each of these sub-heads shall contain the following secondary units of appropriation:

(a) Pay of Officers.

(b) Pay of Establishment.

(c) Allowances and honoraria, etc.

(d) Other charges contingencies, etc.

(8) The expenditure under the sub-heads "Central Office of the Board" and all other items of administrative expenditure not included under the sub-heads (i) to (iii) of sub- -rule (7) shall be allocated between the "Khadi Fund" and the "Village Industries Fund" referred to in section 24(1) of the Act in proportion to the budget allotment under the respective funds sanctioned by the Government for that year at the end of each month, and in the month of March final adjustment of the total expenditure so allocated shall be carried out pro rata on the basis of funds that may finally be sanctioned by the Government for the respective funds after taking into consideration the amounts proposed to be surrendered if any. Pending such allocation the expenditure under the aforesaid sub-heads shall be debited to the "Village Industries Fund".

## **16. 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 by order from time to time direct.

## **17. Accounts Of The Board :-**

The form of accounts of the Board shall be the same as is followed by the Khadi and Village Industries Commission.

**18. Preparation Of Accounts And Their Production Before Audit :-**

Within three months after the end of each financial year the annual accounts showing the financial results of the Khadi Fund and Village Industries Fund shall be prepared with such subsidiary accounts as may be necessary and in such forms as may be prescribed by the Government in consultation with the Comptroller and Auditor-General of India and placed before the Board. These accounts authenticated by affixing the common seal and duly passed by the Board shall be submitted to the Government and the Audit Officer appointed by the Comptroller and Auditor-General, normally by the end of October: Provided that, on the request of the Board, the Government may, in consultation with the Comptroller and Auditor-General, extend the date of submission of the accounts by such period as the Government may think fit.

**19. Impropriety And Irregularity In Accounts :-**

(1) The Audit Officer shall furnish the Board and the Government with a statement each, where necessary, in regard to any material impropriety or irregularity which the Audit Officer may observe in the expenditure or in the recovery of moneys due to, or in the accounts of the Board.

(2) The Board shall forthwith remedy any defect or irregularity that may be pointed out by the Audit Officer and shall report to the Government the action taken by it thereon within ninety days of the receipt of the report of the Audit Officer provided that if there is any difference of opinion between the Board and the Audit Officer or if the Board does not remedy any defect or irregularity the Government may and on reference specifically made therefor by the Audit Officer shall, in consultation with the Comptroller and Auditor-General may pass orders thereon as it thinks fit and the Board shall thereafter take action in accordance therewith within such time as may be specified by the Government.

**20. Publication Of Annual Accounts :-**

An abstract statement of annual receipts and expenditure shall be published in the Gazette of the Government of Goa, Daman and Diu.

**21. Placing The Board In Possession Of Funds :-**

(1) After the budget relating to the Board has been approved by the Government, and after due appropriation has been made by the Legislature in this behalf, the Government will place the Board in possession of funds for "Khadi" and "Village Industries" separately.

(2) The funds for "Khadi" will be provided from the "funds" for the development of "Handloom and Khadi Industries" formed under the provisions of the Khadi and other Handloom Industries Development (Additional Excise duty on Cloth) Act, 1953, and the rules framed thereunder or by grant-in-aid or subsidies.

(3) The funds for "Village Industries" will be provided by grants-in-aid or subsidies.

## **CHAPTER 5 Miscellaneous**

### **22. Contract :-**

(1) The Board may, in connection with its trading and other activities, enter into contracts provided provision therefor exists in the sanctioned budget.

(2) The Board may delegate to the Chairman, the Secretary, any member of the Board or any Officer of the Board such powers of entering into contracts on its behalf as it may think fit.

(3) Contracts made on behalf of the Board shall not be binding on the Board unless they are executed by a person authorised under sub-rule (2) to enter into them and the seal of the Board is affixed thereto.

(4) Any person authorised under sub-rule (3) to enter into contracts on behalf of the Board shall not be liable for any assurance or contract made on its behalf; and any liabilities arising out of such assurance or contract shall be discharged from the moneys at the disposal of the Board.

### **23. Power To Sanction Grants And Subsidies :-**

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

(2) The Board may reduce the rates at which grant 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 Government.

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

(a) a society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in the Union Territory of Goa, Daman and Diu;

(b) a Co-operative Society registered under the Co-operative Societies Act, 1912 (2 of 1912) or under any other law for the time being in force in the Union Territory of Goa, Daman and Diu;

(c) a gram or village panchayat, a municipality, or any similar body established under any law for the time being in force;

(d) an authority set up under any law for the time being in force relating to bheedan or gramdan;

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

(f) 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. 1,000 in any one case and to an institution, it should not exceed Rs. 10,000 in any one case. The ceiling of Rs. 1,000 for an individual and of Rs. 10,000 for an institution may, however, be exceeded with prior approval of Government.

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

Note:- "Individual" means an artisan or any other worker undertaking activities falling under the purview of the Board and for which grants and subsidies are given.

## **24. Power To Grant Loans :-**

(1) The Board shall grant loans in accordance with the provisions of the loan rules for Khadi and Village Industries made by the Government from time to time, and in accordance with and as rates and on terms sanctioned by the Government in respect of each industry from time to time.

(2) The Board shall not be competent to modify, amend or otherwise vary the provisions of the loan rules.

(3) The Government may, on its own initiative or on the recommendation of the Board, modify or amend the loan rules. The modification or amendment will have effect from the date it is made by the Government.

**25. Power To Borrow :-**

The Board may, with the previous sanction of the Government borrow on the security of its funds or assets for the purposes specified in section 26 (2) of the Act.

**26. Action Against Persons Responsible For Losses :-**

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 Government shall be obtained before such losses are written off.

- (a) Chairman ... Upto Rs. 1,000
- (b) Chief Executive Officer ... Upto Rs. 500
- (c) Any other officer authorised by the Board ... Upto Rs. 250

**27. Custody Of Common Seal :-**

The common seal of the Board shall remain in the custody of the Chief Executive Officer of the Board.

**CHAPTER 6 Statistics, Reports and Returns****28. Reports :-**

The annual report to be submitted by the Board to the Government under section 29 of the Act regarding its activities during the previous financial year shall be submitted before 31st December every year and it shall contain particulars amongst others in respect of the following items and shall be in such form as the Government may from time to time direct, namely:

- (i) budget provision and expenditure;
- (ii) production and sale of khadi both traditional and ambar;
- (iii) production of sale of products of the village industries;
- (iv) production of charkhas and other implements;
- (v) employment statistics for each industry; and
- (vi) training of personnel.

**29. Monthly Returns :-**

The Board shall submit to the Government and to such authority as it may specify:

- (a) monthly progress reports in respect of the Ambar Charkha

Programme;

( b ) monthly statements of accounts showing the details of disbursements made by the Board;

(c) quarterly progress reports on traditional Khadi and other Village Industries;

(d) monthly statements of accounts showing the drawings from the Khadi Fund and Village Industries Fund.

### **30. Power To Obtain Supplementary Report Or Information**

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Notwithstanding anything contained in rules 28 and 29, 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 arrangement between the Board and any other party.