

**THE
MANIPUR KHADI AND VILLAGE
INDUSTRIES BOARD ACT, 1966**

**(MANIPUR ACT/4 OF 1966)
As Amended Upto 6th April 1981.**



**MANIPUR KHADI AND VILLAGE INDUSTRIES BOARD,
LAMPHELPAT, IMPHAL-795004**

The Manipur Khadi and Village Industries Board

Act, 1966

(MANIPUR ACT 4 OF 1966)

AS AMENDED UPTO 6TH APRIL, 1981

CHAPTER - I PRELIMINARY

1. (1) This Act may be called the Manipur Khadi and Village Industries Board Act, 1966.

Short title
extent and
commencement.

(2) It extends to the whole of the State of Manipur.

(3) It shall come into force on such date as the Governor may, by notification in the Official Gazette, appoint in this behalf.

2. In this Act unless the context otherwise requires,

Definitions

(a) "Governor" means the Administrator of the State of Manipur ;

(b) "Board" means the Manipur Khadi and Village Industries Board established under section 3 ;

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

(d) "Commission" means the Khadi and Village Industries Commission established under section 4 of the Khadi and Village Industries Commission Act, 1956 ;

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(e) "Khadi" means any cloth woven on handlooms in India from cotton, silk or woollen yarn hand-spun in India or from a mixture of any two or all of such yarn;

(f) "Member" means a member of the Board ;

(g) "Prescribed" means prescribed by rules made under this Act ;

(h) "Regulations" means regulations made by the Board under this Act ;

- (i) "Vice-Chairman" means the Vice-Chairman of the Board ;
- (j) "Village industries" means –
 - (i) all or any of the industries specified in the Schedule to the Khadi and Village Industries Commission Act, 1956, and includes any other industry deemed to be specified in the said Schedule by virtue of section 3 of the said Act ; and
 - (ii) any other industry notified as a village industry by the Governor after consultation with the Commission and the Board.

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CHAPTER - II
THE MANIPUR KHADI AND VILLAGE
INDUSTRIES BOARD

Establishment
of the Board.

3. (1) With effect from such date as the Governor may, by notification in the Official Gazette, fix in this behalf, there shall be established for the purposes of this Act a Board to be called the Manipur Khadi and Village Industries Board.

(2) The Board shall be a body corporate by the name aforesaid having perpetual succession and a common seal, with power to acquire, held and dispose of property and to contract and may, by the said name, sue and be sued :

Provided that any lease sale or the transfer to any person or authority other than the Commission of any immovable property belonging to the Board shall be null and void unless it is sanctioned by the Governor.

Constitution
of the Board.

4. (1) The Board shall consist of not less than three and not more than nine members appointed by the Governor after consultation with the Commission from among –
- (a) non officials, who in the opinion of the Governor have shown active interest in the production and development of Khadi and Village Industries ; and
 - (b) officials.

- (2) The Governor shall, after consultation with the Commission, nominate one of the members of the Board to be the Chairman thereof.
- (3) The Chairman shall exercise such power and perform such duties as may be prescribed.
- Vice-Chairman** 5. The Governor may, after consultation with the Commission, appoint from the other members not being officials a Vice-Chairman who shall exercise such of the powers and discharge such of the duties of the Chairman as may be prescribed or as may be delegated to him by the Chairman.
- Secretary** 6. The Governor shall appoint, after consultation with the Commission, a member other than the Chairman or the Vice-Chairman to be the Secretary of the Board who shall exercise such powers and discharge such duties as may be prescribed or as may be delegated to him by the Chairman.
- Resignation of office by members.** 7. Any member may resign his office by giving notice in writing to the Governor and, on such resignation being notified in the Official Gazette by the Governor shall be deemed to have vacated his office.
- Vacancies, etc., not to invalidate acts and proceedings of the Board or any of its committees.** 8. No act or proceeding of the Board or any of its committees shall be invalid by reason only of the existence of any vacancy in its membership or by reason of any defect in the constitution thereof.
- Temporary association of persons with the Board for particular purposes.** 9. (1) The Board may associate with itself in such manner and for such purposes as may be determined by regulations made under this Act, any person whose assistance or advice it may desire in complying with any of the provisions of this Act.
- (2) A person associated with the Board under sub-section (1) for any purpose shall have the right to take part in the discussion of the Board relevant to that purpose, but shall not have the right to vote and shall not be a member for any other purpose.
- (3) The Governor may, by order, depute one or more officers of the Government to attend any meeting of the Board and to take part in any discussion of the Board, but such officer or officers shall not have the right to vote.

10. (1) The Board shall meet at such times and places and shall, subject to the provisions of sub-sections (2) to (4), observe such rules of procedure in regard to the transaction of business at its meetings, including the quorum at meetings as may be provided by regulations made by the Board under this Act.

Meeting of
the Board.

Provided that the Board shall meet at least once in every two months.

(2) The Chairman may, whenever thinks fit, call a special meeting of the Board.

(3) The Chairman or in his absence, the Vice Chairman or, in the absence of both the Chairman and the Vice-Chairman any member chosen by the members present from among themselves shall preside at a meeting of the Board.

(4) All questions at a meeting of the Board shall be decided by a majority of the votes of the members present and voting and in the case of an equality of votes, the Chairman, or his absence the person presiding shall have a second or casting vote.

(5) Minute of the proceedings of each meeting of the Board shall be drawn up and recorded in a register to be kept for that purpose, and shall be laid before the next ensuing meeting of the Board and signed at such meeting by the presiding officer thereof and copies of such minutes shall be forwarded to the Governor and the Commission within fifteen days from the date on which they are signed as aforesaid.

11. The term of office and the terms and conditions of service of the Chairman, Vice-Chairman, Secretary and other members shall be such as may be prescribed.

Term of office
and conditions
of service of
the Chairman,
Vice-Chairman,
Secretary and
other members.

12. (1) There shall be constituted from among the members in the prescribed manner a Standing Finance Committee which shall exercise such of the powers relating to the finances of the Board as may be specified by regulations made by the Board under this Act.

Standing
Committees.

Officers and servants of the Board.

(2) The Board may constitute such other Standing Committees consisting of such number of member and in such manner as may be prescribed for exercising any power or discharging any duty of the Board, or for enquiring into, or reporting and advising on, any matter which the Board may refer to them.

(3) The Standing Finance Committee or any other Standing Committee constituted under this section shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of bussiness at its meetings , including the quorum at meetings, as may be provided by regulations made by the Board under this Act.

13. (1) The Governor shall appoint a person not being a member, to be the Financial Advisor and Chief Accounts Officer who shall excercise such powers and perform such duties as may be prescribed.

(2) The Governor shall appoint a person not being a member, to be the Chief Executive Officer of the Board and the Chief Executive Officer shall exercise such powers and prform such duties as may be prescribed or as may be delegated to him by the Chairman.

(3) Subject to such rules as may be made by the Governor in this behalf, the Board may appoint such other officers and servants as it considers necessary for the efficient performance of its functions.

Provided that no person whose honorarium or the maximum salary exceeds three hundred rupees per month shall be appointed by the Board except with the previous approval of the Governor.

CHAPTER - III

FUNCTION AND POWERS OF THE BOARD

Functions of the Board.

14. (1) Subject to the provision of the Act, the functions of the Board shall generally be to plan, organise and implement programmes for the development of Khadi and Village Industries ;

(2) In particular and without prejudice to the generality of the

foregoing provision, the Board may take such steps as it thinks fit –

- (a) to promote, encourage and assist in the development of Khadi and Village Industries and to carry on trade or business in the products of such industries;
- (b) to provide work to persons who have been professionally engaged in Khadi and Village Industries ;
- (c) to grant loans to individuals, societies or institutions engaged in Khadi and Village Industries on such terms as may be prescribed ;
- (d) to encourage establishment of co-operative societies in Khadi and Village Industries;
- (e) to conduct training centers with a view to impart the necessary skill and knowledge for carrying on Khadi and Village Industries ;
- (f) to manufacture tools and implements and to arrange supply of such tools and implements and raw materials in order to secure development of Khadi and Village Industries ;
- (g) to conduct publicity and propaganda and to organise marketing of finished products of Khadi and Village Industries by opening stores, shops, emporia and exhibitions;
- (h) to undertake and encourage research with a view to improve the quality and marketability of Khadi and the products of Village Industries;
- (i) to collect statistics relating to Khadi and Village Industries from such person or persons as may be prescribed and to publish the statistics so collected ;
- (j) to carry out any other matter which may be prescribed.

15. In the performance of its functions under this Act, the Board shall be bound by such directions as the Commission may give from time to time.

Power of the
Commission to
give directions.

CHAPTER - IV
PREPARATION AND SUBMISSION
OF PROGRAMME

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| Preparation and submission of programme | 16. Every year; on such date as may be fixed by the Governor the Board shall prepare and forward in advance to the Governor a programme of work for the ensuing year showing –
(a) the particulars of the schemes which the Board proposes to execute, whether in part or whole, during such year ;
(b) the particulars of any work or undertaking which the Board proposes to execute during that year for the purpose of carrying out its functions under this Act; and
(c) such other particulars as may be prescribed. |
| Sanction of programme | 17. The Governor may, after consultation with the Commission, approve and sanction the programme referred to in section 16 in whole or with such modification as he considers fit. |
| Supplementary programme | 18. The Board may, prepare and forward a supplementary programme for the sanction of the Governor in such form and before such date as the Governor may prescribe and the provisions of sections 17 shall apply in relation to such supplementary programme. |
| Power of the Board to alter scheme | 19. The Board may with the previous approval of the Commission make any alteration in any scheme so long as the aggregate amount sanctioned for such scheme is not exceeded and a report of the alteration shall be sent to the Governor in such form and within such time as may be prescribed. |

CHAPTER - V
FINANCE, ACCOUNTS AUDIT AND REPORTS

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| Payments to the Board | 20. The Governor may pay to the Board, in each financial year, such sums by way of grants or advances as he may consider necessary for the performance of the functions of the Board under this Act. |
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21. The Board may, from time to time, with the previous sanction of the Governor and subject to the provisions of this Act and such conditions as he may determine, borrow any sum required for the purposes of this Act;

Borrowing
power of the
Board.

Provided that the previous sanction of the Governor shall not be necessary to borrow any sum from the Commission.

22. (1) The Board shall have two separate funds known as the Khadi Fund and the Village Industries fund and all the receipts obtained by the Board from time to time by way of grants, donations, gifts, advances or loans for the purpose of Khadi or Village Industries shall be credited to the Khadi fund or, as the case may be the Village Industries fund and all payments by the Board for or in respect of Khadi or Village Industries shall be made from the appropriate fund.

Funds of
the Board

(2) The Board may accept grants, donations and gifts from the Central Government or the Government of a State or Union territory or any local authority or any body or association whether incorporated or not or any individual for all or any of the purposes of this Act.

(3) If at any time the amount available in either of the two funds referred to in sub-section (1) is in excess of the requirements of that fund and the amount available in the other fund is insufficient to meet the requirements of that fund, the Board may, with the previous approval of the Governor, transfer from the first mentioned fund the excess amount or such part thereof as may be necessary to the other fund.

EXPLANATION – For the purposes of computing the amounts available in either of the two funds, the amounts, accepted under sub-section (2) shall not be taken into account.

(4) All money belonging to the Board shall be deposited with the State Bank of India or a subsidiary bank or where there is no office of the State Bank of India or subsidiary bank, in a Government Treasury or be invested in such securities as may be approved by the Central Government.

(5) The accounts of the Board shall be operated upon by such officers jointly or individually as may be authorised by the Board.

23. Subject to the provisions of section 25, the Board shall have power to spend such sums as it thinks fit on purposes authorised by this Act ;
 Provided that nothing in this section shall be deemed to prevent the Board from spending with the previous approval of the Governor, such moneys as it thinks fit on any such purpose outside the State of Manipur.

Power of the Board to spend

24. All properties, funds and other assets of the Board shall be held and applied by it subject to the provisions, and for purposes, of this Act.

Applications of funds and properties

25. (1) The Board shall, by such date in each year as may be prescribed, prepare and submit to the Governor for approval two separate budgets in the prescribed form for the next financial year, to be called the Khadi budget and the Village industries budget, showing the estimated receipts and expenditure in respect to Khadi and Village Industries respectively during that financial year and the Board shall forward copies of the budgets to the Commission for information and remarks, if any.

Budget supplementary budget

(2) Subject to the provisions of sub-sections (3) and (4), no sum shall be expended by or on behalf of the Board unless such expenditure is covered by a specific provision in the budget approved by the Governor.

(3) The Board may, within the respective limits of the Khadi budget and the Village industries budget, sanction any re-appropriation from one head of expenditure to another or from a provision made for one scheme to that in respect of another but, subject to the provision of sub-section (3) of section 22, in no case shall a re-appropriation of funds be made from the Khadi budget to the Village industries budget or from the Village industries budget to the Khadi budget;

Provided that no re-appropriation from the head "Loan" to any other head of expenditure and vice versa in either budget shall be sanctioned by the Board except with the previous approval of the Governor.

(4) The Board may, within such limits and subject to such conditions as may be prescribed incur expenditure in excess of the limit provided in the budget approved by the Governor under any head of expenditure or in connection with any particular scheme so long as aggregate amount in either budget approved by the Governor is not exceeded.

26. The Board may, in any year, submit a supplementary budget for the approval of the Governor in such form and before such date as the Governor may prescribe and the provisions of section 25 shall apply in relation to such supplementary budget. **Supplementary Budget.**
27. (1) The Board shall prepare and forward to the Governor in such manner as may be prescribed an annual report within three months from the end of each financial year giving a complete account of its activities, policy and programme during the previous financial year along with a copy of the annual statement of accounts referred to in section 29. **Annual Report.**
- (2) The Board shall prepare and forward to the Commission an annual report within three months from the end of each financial year giving a complete account of the funds received by the Board from the Commission and the activities carried on by the Board with respect to those funds during the previous financial year.
- (3) The report referred to in sub-section (1) together with a copy of the said annual statement of account shall be laid on the table of the Legislative Assembly as soon as may be after it is received by the Governor.
28. (1) The Board shall furnish to the Governor and the Commission at such time and in such form and manner as may be prescribed or as the Governor of the Commission may direct such returns and statements and such particulars in regard to any proposed or existing programme for the promotion and development of Khadi and Village Industries as the Governor or as the case may be, the Commission may, from time to time, require. **Returns and Statements.**
- (2) All returns, statements and particulars furnished by the Board to the Governor under sub section (1) shall as soon as possible after they are so furnished, be laid on the table of the Legislative Assembly.
29. (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the profit and loss account and the balance sheet in such form and in such manner as may be prescribed. **Accounts and Audit.**

- (2) The accounts of the Board shall be audited by such person as the Governor may appoint in this behalf.
- (3) The auditor or auditors appointed by the Commission shall have the right to audit and inspect the accounts of the Board pertaining to the funds advanced by the Commission.
- (4) The auditors appointed under sub-sections (2) and (3) shall, in relation to such audit, generally have such rights, privileges and authority as may be prescribed and shall, in particular, have the right to demand the production of books, accounts, vouchers and other documents in connection with the audit and to inspect any of the offices of the Board.
- (5) The accounts of the Board as certified by such auditors together with the audit report thereon shall be forwarded annually to the Governor and the Commission before such date as the Governor may specify in this behalf.
- (6) The Board shall comply with such directions as the Governor after perusal of the reports of the auditors, think fit to issue.

CHAPTER - VI

MISCELLANEOUS

Members &
servants of
Board to be
Public Servants
45 of 1860

Protection of
action taken
under this Act.

Dissolution of
the Board

30. Members and officers and other employees of the Board shall be deemed when acting or purporting to act in pursuance of any of the provisions of this Act to be public servants within the meaning of section 21 of the Indian Penal Code.
31. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or purported to be done by or under this Act.
32. (1) If at any time the Governor 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 function imposed or intrusted by or under this Act, or exceeded or abused its powers; or

(b) circumstances have so arisen that the Board is 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 Governor may, by notification in the Official Gazette, dissolve the Board from such date and for such period as may be specified in the notification and declare that the duties, powers and functions of the Board shall, during the period of its dissolution, be discharged, exercised and performed by such person or authority as may be specified in the notification ;

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

(2) The Governor shall, before the expiration of the period of dissolution, reconstitute the Board in accordance with the provisions of this Act.

(3) The Governor may make such incidental and consequential provisions as may appear to him to be necessary for giving effect to the provisions of this section.

(4) Any notification issued or order made by the Governor under this section shall be final and shall not be questioned in any civil court.

(5) When the Board is dissolved under sub-section (1)

(i) all members shall, from the date of dissolution, vacate their offices as such members;

(ii) all properties, funds and dues which are vested in, or realisable by the Board shall, during the period of dissolution, vest in or be realisable by the State Government;

(iii) all claims and liabilities legally subsisting and enforceable by or against the Board shall be enforceable as if those claims and liabilities had been entertained or incurred, as the case may be, in connection with the administration of the State of Manipur.

33. If any amount due to the Board in accordance with the terms of a contract or otherwise or any sum payable in connection therewith, has not been paid, the Board may, without prejudice to any other remedy provided by law, recover such amount or sum as if it were an arrear of land revenue.

**Recovery of
Arrears.**

Powers to write off irrecoverable sums.

34. The Board shall be competent to write off any sum due to it if such sum is, in its opinion, irrecoverable.

Provided that –

- (i) where the sum written off in favour of any one person exceeds five hundred rupees; or
- (ii) where the aggregate of the sums written off in a financial year exceeds five thousand rupees the previous sanction of the Governor shall first be obtained.

Power to make rules.

35. (1) The Governor may, by notification in the Official Gazette, make rules to give effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the place at which the office of the Board shall be located;
- (b) the terms of office of, and the manner of filling casual vacancies among the members and the terms and conditions of service of the chairman, Vice-Chairman, the Secretary and the other members, including the pay and allowance to be paid to them and the travelling and daily allowances to be drawn by them;
- (c) the disqualifications for membership of the Board and the procedure to be followed for removing a member who is or who becomes subject to any disqualification;
- (d) the powers and duties to be exercised and discharge by the Chairman and the Vice-Chairman;
- (e) the procedure to be followed in the performance of functions by members;
- (f) the powers and duties to be exercised and discharged by Secretary, the Financial Adviser and the Chief Executive Officer of the Board;
- (g) the conditions, subject to which and mode in which, contracts may be entered into by or on behalf of the Board;
- (h) the constitution of the Standing Finance Committee and other Standing Committees;

- (i) the date by which and the form in which the budgets and the supplementary budgets shall be prepared and submitted each year under sections 25 and 26 ;
- (j) the procedure to be followed for placing the Board in possession of funds ;
- (k) the procedure to be followed and the conditions to be observed in borrowing moneys and in granting loans ;
- (l) the form and the manner in which the reports, returns or statements shall be submitted under sections 27 and 28 ;
- (m) the form and the manner in which the accounts and records of the Board shall be maintained and the annual statement of accounts shall be prepared under section 29 ; and
- (n) any other matter which has to be, or may be prescribed.

(3) Every rule made under this Act shall be laid as soon as may be after it is made, before the Assembly while it is in session for a total period of not less than fourteen days which may be comprised in one session or in two or more successive session and if before the expiry of the session in which it is so laid or the session aforesaid, the Assembly makes any modification in the rule or decides that the rule should not be made, the rule shall thereafter have effect only such modified form or be of no effect as the case may be ; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

36. (1) The Board may, with the previous sanction of Governor by notification in the Official Gazette, make regulations not inconsistent with this Act and the rules made thereunder, for enabling it to perform its functions under this Act.

Power
to make
regulations.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely –

- (a) the terms and conditions of appointment and service and the scales of pay of officers and other employees of the Board

- other than the Secretary, including the payment of travelling and dailly allowances in respect of journeys undertaken by such officers and employees for the purposes of this Act ;
- (b) the time and place of meetings of the Board, the procedure to be followed in regard to the transaction of busines at such meetings and the quorum necessary for such meetings ;
 - (c) the functions of Standing Committees and the procedure to be followed by the Standing Committees in the performance of their functions ;
 - (d) the delegations of powers and duties to the chairman, vice-chairman, any Standing Committee, the Scretary or any other officer or employee of the Board ;
 - (e) the maintenance of minutes of meeting of the Board ;
 - (f) the persons by whom and the manner in which payments, deposits and investments may be made on behalf of the Board ;
 - (g) the custody of money required for the current expenditure of the Board and the investment of moneys not so required ;
and
 - (h) the maintenance of accounts ;
- (3) The Governor may, by notification in the Official Gazette, re-scind or modify any regulation made under this section and there upon, the regulation shall cease to have effect or be modified accordingly.

