

## THE CENTRAL SILK BOARD ACT, 1948

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THE CENTRAL SILK BOARD ACT, 1948

ACT NO. 61 OF 1948<sup>1</sup>

[20th September, 1948.]

An Act to provide for the development under Central control of the <sup>2</sup>\* \* \* silk industry and for that purpose to establish a Central Silk Board.

WHEREAS it is expedient to provide for the development under Central control of the <sup>2</sup>\* \* \* silk industry and for that purpose to establish a Central Silk Board;

It is hereby enacted as follows:—

**1. Short title and extent.**— (1) This Act may be called the Central Silk Board Act, 1948.

<sup>3</sup>[(2) It extends to the whole of India <sup>4</sup>\*\*\*.]

<sup>5</sup>**[2. Declaration as to expediency of Union control.**—It is hereby declared that it is expedient in the public interest that the Union should take under its control the silk industry.]

**3. Definitions.**—In this Act, unless there is anything repugnant in the subject or context,—

(a) “Board” means the Central Silk Board constituted under this Act;

<sup>6</sup>[(aa) “Central Silk-worm Seed Testing Laboratory” means the Central Seed Testing Laboratory established or accredited under sub-section (1) of section 8G;

(b) “charkha raw silk” means raw silk reeled from silk worm cocoons with the help of any instrument not worked by power;

<sup>6</sup>[(ba) “Committee” means the Central Silk-worm Seed Committee constituted under sub-section (1) of section 8A;

(bb) “dealer” means a person who carries on the business of buying and selling, export or import of silk-worm seed, cocoons, chawkie reared silk-worms and includes an agent of a dealer;

(bc) “export” means taking out of India to a place outside India;]

(c) “filature raw silk” means raw silk reeled from silk worm cocoons with the help of any instrument worked by power;

<sup>6</sup>[(ca) “Hybrid Authorisation Committee” means the Hybrid Authorisation Committee constituted under sub-section (1) of section 8D;

(cb) “import” means bringing into India from a place outside India;

(cc) “notified kind or variety” in relation to silk-worm seed means, any kind or variety thereof notified under sub-section (1) of section 8C;]

(d) “power” means any form of energy which is mechanically transmitted and is not generated by human or animal agency, and includes electrical energy;

(e) “prescribed” means prescribed by rules made under this Act;

1. The Act has been extended to Dadra and Nagar Haveli by Reg. 6 of 1963, s. 2, and the Schedule I and to Pondichery by Reg. 7 of 1963, s. 3 and the Schedule I.

2. The word “raw” omitted by Act 31 of 1963, s. 2 (w.e.f. 25-3-1954).

3. Subs. by the A. O. 1950, for sub-section (2).

4. The words “except the State of Jammu and Kashmir” omitted by Act 21 of 1970, s. 2.

5. Subs. by Act 31 of 1953, s. 3, for section 2.

6. Ins. by Act 42 of 2006, s. 2 (w.e.f. 1-7-2007).

<sup>1</sup>[(*ea*) “Registration Committee” means the Registration Committee constituted under sub-section (2) of section 8E;

(*eb*) “regulation” means regulation made by the Committee under this Act;

(*ec*) “silk-worm seed” or “seed” means all kinds of silk-worm seeds produced from the pure silk-worm races including the hybrids produced from two or more pure races, silk-worm seed cocoons of all kinds and moths thereof intended to be used or reared for the purpose of production or for commercial exploitation.

*Explanation.*— For the purposes of this clause,—

(*i*) “pure races” means silk-worm breed or variety maintained through reproductive silk-worm seed with features true to the parents;

(*ii*) “hybrids” means the seed produced involving two or more pure races or parental races with the objective of exploiting heterosis or hybrid vigour;

(*ed*) “Silk-worm Seed Analyst” means a Seed Analyst appointed or notified under sub-section (3) of section 8G;

(*ee*) “Silk-worm Seed Certification Agency” means the Silk-worm Seed Certification Agency constituted or accredited under section 8F;

(*ef*) “Silk-worm Seed Officer” means Seed Officer appointed or notified under sub-section (1) of section 8H;]

(*f*) “spun silk” means silk yarn spun from pierced or spoilt cocoons, fluff from cocoons, pieces of silk, coils, or other silk waste;

(*g*) “Standing Committee” means the Standing Committee of the Board constituted under sub-section (2) of section 6.

**4. Constitution of the Board.**—(*1*) As soon as may be after the commencement of this Act, the Central Government shall, by notification in the Official Gazette, constitute for the purposes of this Act a Board to be called the Central Silk Board.

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

<sup>2</sup>[(3) The Board shall consist of the following members, namely:—

(*a*) a <sup>3</sup>[Chairperson] to be appointed by the Central Government;

<sup>4</sup>[(*b*) not more than three officials to be nominated by the Central Government, one of whom shall be the head of the Silk Division in the Ministry of Textiles as the <sup>5</sup>[Vice-Chairperson] and one shall be the Secretary of the Board, both being the officers not below the rank of Joint Secretary to the Government of India;]

Provided that it shall be lawful for any such official to depute in the prescribed circumstances another official to attend any meeting of the Board on his behalf;

1. Ins. by Act 42 of 2006, s. 2 (w.e.f. 1-7-2007).

2. Subs. by Act 31 of 1953, s. 4, for sub-section (3) (w.e.f. 25-3-1954).

3. Subs. by Act 42 of 2006, s. 3, for “Chairman” (w.e.f. 1-7-2007).

4. Subs. by s. 4, *ibid.*, for clause (*b*) ( w.e.f. 1-7-2007).

5. Subs. by s. 3, *ibid.*, for “Vice-Chairman” (w.e.f. 1-7-2007).

(c) six persons to be elected by Parliament, four from the House of the People by the members of the House of the People and two from the Council of States by the members of the Council of States;

<sup>1</sup>[Provided that a member of Parliament shall, upon ceasing to be a member of the House of the People or as the case may be, the Council of States, cease to be a member of the Board.]

(d) <sup>2</sup>[five persons] to be nominated by the Government of <sup>3</sup>[Karnataka], one of whom shall represent the filature raw silk industry and two shall represent the rest of the sericulture industry;

(e) <sup>4</sup>[one person] to be nominated by the Government of <sup>5</sup>[Tamil Nadu];

(f) two persons to be nominated by the Governor of West Bengal;

(g) one person to be nominated by each of the Governments of <sup>6</sup>[Andhra Pradesh], Assam, Bihar, Chhattisgarh, <sup>7</sup>[Gujarat], <sup>8</sup>\* \* \* , Madhya Pradesh, Uttar Pradesh and Uttaranchal;]

(h) one person to be nominated by the Government of Jammu and Kashmir;

(i) not more than three persons to be nominated by the Central Government to represent the producers of raw silk and areas other than the States specified in clauses (d) to (g) inclusive;

(j) eight persons to be nominated by the Central Government, of whom one shall represent the spun-silk industry, one the silk throwing and twisting industry, one the silk weaving industry, one labour; and two of them shall be experts in sericulture.]

(4) The members of the Board shall receive from its funds such travelling and other allowances as may be prescribed.

<sup>9</sup>[(5) Subject to the other provisions of this Act, the term of office of a member shall be such period, not exceeding three years, as may be prescribed.

(6) Notwithstanding anything contained in sub-section (5),—

(a) the Central Government may terminate the appointment of the <sup>10</sup>[Chairperson] after giving him notice for a period of not less than three months;

(b) the <sup>10</sup>[Chairperson] may resign his office by giving notice in writing for a period of not less than three months to the Central Government, and on such resignation being notified in the Official Gazette by that Government, the <sup>10</sup>[Chairperson] shall be deemed to have vacated his office.]

<sup>11</sup>**[4A. Disqualification for being nominated or appointed as a member of Board.]—**A person shall be disqualified for being nominated or appointed or for continuing as a member, if he—

(a) is not a citizen of India; or

(b) has been convicted and sentenced to imprisonment for an offence which, in the opinion of the Central Government, involves moral turpitude; or

(c) is an undischarged insolvent; or

1. Ins. by Act 42 of 2006, s. 4 (w.e.f. 1-7-2007).

2. Subs. by the A. O. (No. 3), 1956, for “four persons”.

3. Subs. by the Mysore State (Alteration of Name) (Adaption of Laws on Union Subjects) Order, 1974, for “Mysore” (w.e.f. 1-11-1973).

4. Subs. by the A. O. (No. 3), 1956, for “two persons”.

5. Subs. by the Madras State (Alteration of Name) (Adaptation of Laws on Union Subjects) Order, 1970, for “Madras” (w.e.f. 14-1-1969).

6. Subs. by the A. O. (No. 3), 1956, for “Andhra”.

7. Subs. by the Bombay Reorganisation (Adaptation of Laws on Union Subjects) Order, 1961, for “Bombay” (w.e.f. 1-5-1960).

8. The words “Madhya Bharat” omitted by the A. O. (No. 3), 1956.

9. The words in brackets shall stand inserted (date to be notified) by Act 13 of 1982, s. 2.

10. Subs. by Act 42 of 2006, s. 3, for “Chairman” (w.e.f. 1-7-2007).

11. Ins. by s. 5, *ibid.* (w.e.f. 1-7-2007).

(d) has become physically or mentally incapable of acting as a member; or

(e) has acquired such financial or other interest as is likely to affect prejudicially his function as a member.]

**5. Power of the Central Government in default of nominations.**—(1) If any Government other than the Central Government fails to make any nomination which it is entitled to make under sub-section (3) of section 4 within the time prescribed in that behalf, the Central Government may make the nomination itself.

(2) Where a member of the Board dies, resigns, is removed, ceases to reside in India, or becomes incapable of acting, the authority or body entitled to nominate the member under sub-section (3) of section 4 may nominate a person to fill the vacancy; and where such nomination is not made within the time prescribed in that behalf, the Central Government on its own initiative, may make the nomination itself.

(3) No act done by the Board shall be questioned on the ground merely of the existence of any vacancy in, or defect in the constitution of, the Board.

**6. Vice-Chairperson and Standing Committee.**— (1) <sup>1</sup>[The <sup>2</sup>[Vice-Chairperson] shall] exercise such of the powers and perform such of the duties of the <sup>3</sup>[Chairperson] as may be prescribed or as may be delegated to him by the <sup>3</sup>[Chairperson].

(2) The Board may, in its discretion, constitute a Standing Committee for the purpose of exercising such of its powers and performing such of its duties as may be delegated by it not being powers or duties the delegation of which is prohibited by rules made under this Act.

(3) The Standing Committee shall consist of the <sup>3</sup>[Chairperson], the <sup>2</sup>[Vice-Chairperson], and five others elected by the Board from among its members.

**7. Secretary of the Board.**— <sup>4</sup>[The Secretary to the Board shall], under the control and direction of the Board, exercise such powers and perform such duties as may be prescribed or as may be delegated to him by the Board or the <sup>3</sup>[Chairperson].

**8. Functions of the Board.**—(1) It shall be the duty of the Board to promote the development of the <sup>5</sup>\* \* \* silk industry by such measures as it thinks fit.

(2) Without prejudice to the generality of the foregoing provision, the measures referred to therein may provide for—

(a) undertaking, assisting or encouraging scientific, technological and economic research;

(b) devising means for improved methods of mulberry cultivation rearing, developing and distributing healthy silkworm seeds, <sup>6</sup>[reeling or, as the case may be, spinning of silkworm cocoons and silk waste], improving the quality and production of raw silk, if necessary, by making it compulsory for all raw silk to be marketed only after the same has been tested and graded in properly equipped raw silk conditioning houses;

<sup>7</sup>\* \* \* \* \*

(d) improving the marketing of raw silk;

(e) the collection of statistics from such persons as may be prescribed;

1. Subs by the Act 42 of 2006, s. 6, for “The Central Government shall appoint from among the members of the Board, a Vice-Chairman who shall” (w.e.f 1.7.2007).

2. Subs. by s. 3, for “Vice-Chairman” (w.e.f. 1-7-2007).

3. Subs. by s. 3, *ibid.*, for “Chairman” (w.e.f. 1-7-2007).

4. Subs by s. 7, *ibid.*, for “The Central Government shall appoint a Secretary to the Board who shall” (w.e.f. 1-7-2007).

5. The word “raw” omitted by Act 31 of 1953, s. 6 (w.e.f. 25-3-1954).

6. Subs. by Act 21 of 1970, s. 3, for “reeling of silkworm cocoons”.

7. Clause (c) omitted by s. 3, *ibid.*

<sup>1</sup>[(f) carrying out any other duties which may be vested in the Board under rules made under this Act.]

(3) It shall also be the duty of the Board—

<sup>2</sup>[(a) to advise the Central Government on all matters relating to production, supply, distribution, trade and commerce in silk-worm seed, the development of the silk industry and its products including export and import;]

<sup>3</sup>\* \* \* \* \*

(c) to prepare and furnish such <sup>4</sup>\*\*\*\* reports relating to the <sup>5</sup>\*\*\*\* silk industry as may be required by the Central Government from time to time.

<sup>6</sup>**[8A. Constitution of Central Silk-worm Seed Committee.—**(1) The Central Government may, by notification in the Official Gazette, constitute for the purposes of this Act, a Committee to be called the Central Silk-worm Seed Committee consisting of—

(a) the Vice-Chairperson of the Board who shall be the Chairperson of the Committee, *ex officio*;

(b) (i) seven officials not below the rank of Deputy Secretary to the Government of India dealing with sericulture from the States-members;

(ii) two experts from the field of silk-worm seed development-members;

(iii) five persons to represent the sericulture sector of whom three shall be the farmers and two the reelers-members;

to be nominated by the Central Government from amongst the members of the Board;

(c) the Director of the National Silk-worm Seed Organisation to be nominated by the Central Government-member; and

(d) Secretary of the Board who shall be the Secretary of the Committee, *ex officio*.

(2) The Committee may associate with it, for such purposes and in such manner as it may deem fit, any person whose assistance or advice it may consider necessary in complying with the provisions of this Act, and a person so associated, shall have the right to take part in the proceedings of the Committee relevant to the purposes for which he has been associated, but shall not have the right to vote and shall be entitled to receive such allowances or fees as may be prescribed by the Central Government.

(3) A member nominated under sub-section (1) shall, unless his seat becomes vacant earlier by resignation, death or otherwise, hold office for a period of three years from the date of his nomination and shall be eligible for re-nomination:

Provided that a person nominated under sub-section (1) shall hold office only for so long as he holds the appointment by virtue of which his nomination was made.

(4) No act or proceeding of the Committee shall become invalid merely by reason of—

(i) any vacancy therein, or any defect in the constitution thereof; or

(ii) any matter relating to the procedure of the Committee not affecting the merits of a case.

(5) The Central Government shall provide to the Committee such other technical and other officers and employees as may be necessary for the efficient performance of the functions under this Act.

1. Ins. by Act 31 of 1953, s. 6 (w.e.f. 25-3-1954).

2. Subs by Act 42 of 2006, s. 8, for clause (a) ( w.e.f. 1-7-2007).

3. Clause (b) omitted by Act 21 of 1970, s. 3.

4. The word “other” omitted by s. 3, *ibid*.

5. The word “raw” omitted by Act 31 of 1953, s. 6 (w.e.f. 25-3-1954).

6. Ins. by Act 42 of 2006, s. 9 (w.e.f. 1-7-2007).

(6) (a) The Committee shall meet at such time and place and shall observe such procedure in regard to transaction of business at its meeting (including the quorum at meetings) as may be specified by regulations.

(b) The Chairperson or in his absence any member chosen by the members present from amongst themselves, shall preside at a meeting of the Committee.

(c) All questions at a meeting of the Committee shall be decided by a majority of votes of the members present and voting and in case of equality of votes, the Chairperson or in his absence, the person presiding over the meeting shall have a second or casting vote.]

**8B. Powers and functions of Committee.**—(1) The Committee shall be responsible for the implementation of this Act by taking measures as specified in sub-section (2).

(2) Without prejudice to the generality of the foregoing provision, the measures referred to therein may provide for—

(i) laying down of quality standards for kind or variety of silk-worm seed;

(ii) authorisation of silk-worm races and hybrids for commercial exploitation;

(iii) laying down of quality standards for production of silk-worm seeds;

(iv) laying down the conditions and requirements that have to be met out by the persons desirous of setting up facilities for production of silk-worm seeds or grain ages;

(v) laying down the certification and silk-worm seed testing procedures for seeds sold by the registered producers;

(vi) undertaking the registration of silk-worm seed producers and dealers and controlling, supervising the inspection process to ensure adherence to the specified quality standards and seed certification requirements;

(vii) laying down the conditions and standards for export and import of silk-worm seed and adherence to them;

(viii) programming and planning of silk-worm seed production;

(ix) advising the Central Government and the State Governments on the matters aforesaid; and

(x) such other matters connected and incidental to the production, supply, distribution, trade and commerce in silk-worm seed,

as may be specified by regulations made by the Committee from time to time.

**8C. Power to notify kinds or varieties of silk-worm seeds.**—(1) If the Central Government, after consultation with the Committee, is of the opinion that it is necessary or expedient to regulate the quality of silk-worm seed of any kind or variety for the purpose of production and for commercial exploitation, it may, by notification in the Official Gazette, declare such kind or variety to be a notified kind or variety for the purposes of this Act and different kinds or varieties may be notified for different States or for different areas thereof, and it shall be incumbent upon every producer or dealer of such silk-worm seeds to produce or deal with such notified kinds and varieties of silk-worm seeds and in no other.

(2) The Central Government may, on the recommendation of the Committee, by notification, specify—

(a) the minimum quality standards and conditions for notified kinds or varieties of silk-worm seed; and

(b) the mark or label to indicate that such silk-worm seed conforms to the specified quality standards.



**8D. Hybrid Authorisation Committee.**—(1) The Committee shall constitute a Hybrid Authorisation Committee consisting of the Secretary of the Board who shall be the Chairperson of the Hybrid Authorisation Committee and such number of other members to assist him in the discharge of his duties as the Committee may determine.

(2) It shall be the duty of the Hybrid Authorisation Committee to either *suo motu* or on the application made to it and after due trials, testing and such other requirements, as it may deem necessary to satisfy itself, recommend to the Committee of the kind or variety of silk-worm seed, silk-worm hybrid seeds and races available in the market for notification by the Central Government for production and commercial exploitation.

**8E. Registration Committee.**—(1) No silk-worm seed of any kind or variety shall, for the purpose of production or for commercial exploitation, be produced, supplied, distributed, traded, sold or otherwise disposed of by a producer or dealer unless he is registered by the Registration Committee in such manner as may be prescribed.

(2) The Committee shall constitute the Registration Committee consisting of a Chairperson and such number of other members not less than two to assist him in the discharge of his duties as the Committee, may determine.

(3) The Registration Committee shall have power—

(a) to register the silk-worm seed of the notified kind or variety after scrutinising claims that the silk-worm seed conforms the kind or variety duly notified by the Central Government;

(b) to register the silk-worm seed producer after ensuring that the facility for seed production meets the requirement or conditions for maintaining quality standards as notified by the Central Government;

(c) to register the silk-worm dealer after scrutinising their claim made in the application;

(d) to perform such other functions as are assigned to it by the Committee.

(4) Every application for registration under sub-section (1) shall be made in such form and contain such particulars including conditions and be accompanied by such fees as may be prescribed.

**8F. Constitution of Seed Certification Agency.**—The Committee may, by order, constitute one or more Silk-worm Seed Certification Agencies or accredit the existing certification agencies according to such criteria as may be specified by regulations to conduct inspection for registration of producers and dealers.

**8G. Constitution of Central Seed Testing Laboratories.**—(1) The Committee may, by order, establish the Central Seed Testing Laboratories and accredit the existing laboratories of the Board or the State Governments having such facilities as may be specified by regulations.

(2) The Central Seed Testing Laboratories and the accredited laboratories shall carryout such functions as may be entrusted to it by the Committee from time to time.

(3) The Committee may, by order, appoint such person as it thinks fit or notify the officials or employees of the accredited laboratories having such qualifications as may be specified by regulations to be the Seed Analyst in the Seed Testing Laboratories and define the local limits of their jurisdiction.

**8H. Appointment of Seed Officers.**—(1) The Committee may, by order, appoint such person as it thinks fit, or notify an employee of the Board having such qualifications as may be specified by regulations to be the Seed Officers and define the local limits of their jurisdiction.

(2) Every Seed Officer shall be under the administrative Control of the Committee and shall be responsible for inspecting the seeds and the facilities available with the seed producers and dealers before or after their registration to ensure adherence to the standards and conditions laid down in this regard.

(3) The Seed Officer may—

(a) take samples of any silk-worm seed of any kind or variety from—

(i) any producer or dealer; or

(ii) any person who is in the course of conveying such seed to a purchaser or a consignee; or



(iii) a purchaser or a consignee after delivery of such seed to him;

(b) exercise such other powers as may be specified by regulations.

**8-I. Export and Import of Silk-worm Seed. —**

(1) The Committee shall advise the Central Government from time to time on the export and import of silk-worm seed and the Central Government may, by notification, specify the terms and conditions including exim policy for export and import of silk-worm seed.

(2) All import of silk-worm seed shall conform to the quality standards specified under sub-section (2) of section 8C.

(3) For the purpose of ensuring compliance with the conditions and quality standards for governing such import, the Central Government may, by order, authorise officers of the level of Assistant Commissioner to exercise the powers of inspection at the borders and ports, and such officers shall be deemed to be the Seed Officers for the purposes of this Act.

(4) The Central Government may, by notification, permit for research purposes, import of an unregistered variety of silk-worm seed in such quantity and subject to such conditions as may be specified.

(5) The Central Government may, by notification, restrict the export or import of silk-worm seed of any kind or variety if it considers that it may adversely affect the silk industry or on such other grounds, as it may consider necessary.

**8J. Statement by silk-worm seed producers.**—Every registered silk-worm seed producer and dealer shall furnish periodic statement to the Committee in such form, manner and at such intervals as may be specified by regulations.]

**9. Funds of the Board.**—(1) The Central Government shall from time to time make grants to the Board of such sums as the Central Government may consider necessary for enabling the Board to exercise its powers and discharge its duties under this Act.

(2) The funds of the Board shall be kept in such bank, or, invested in such manner, as may be prescribed and shall be expended by the Board only in the performance of its functions under this Act or for meeting such expenses as are authorised by the Act or by rules made thereunder,

**10. Imposition of cess on certain kinds of silk.**—(1) With effect from such date as the Central Government may, by notification in the Official Gazette appoint, there shall be levied and collected as a cess for the purposes of this Act a duty of excise on all filature raw silk, and on all spun silk, reeled in the territories to which this Act for the time being extends at such rate as the Central Government may, by notification in the Official Gazette, from time to time fix.

(2) The said duty of excise shall be payable by the reelers of filature raw silk or spun silk and shall be paid by them to the Board within one month from the date of the receipt of the notice of demand from the Board in that behalf.

(3) The said duty of excise may be recovered as if it were an arrear of land revenue.

(4) For the purpose of enabling the Board to assess the amount of the duty of excise payable under this section by the reelers of filature raw silk or spun silk,—

(a) the Board shall, by notification in the Official Gazette, fix the period in respect of which assessments shall be made, and

(b) every reeler of filature raw silk or spun silk shall furnish to the Board within the prescribed time a return specifying the total amount of filature raw silk or spun silk reeled during such period.

(5) If any reeler of filature raw silk or spun silk fails to furnish such return within the prescribed time or furnishes a return which the Board has reason to believe to be incorrect or defective, the Board may assess the amount payable by such reeler in such manner as may be prescribed.

(6) Any reeler feeling himself aggrieved by an assessment made under this section, may, within three months of the receipt of the notice under sub-section (2), apply to the District Judge or such other civil judicial officer, as may be prescribed, for the cancellation or modification of the assessment; and such

District Judge or judicial officer shall after giving the Board an opportunity of being heard, pass such order as he thinks proper; and such order shall be final.

<sup>1</sup>[(7) The proceeds of the duties of excise paid to the Board shall first be credited to the Consolidated Fund of India and the Central Government may, thereafter, from time to time, pay to the Board from and out of such proceeds such sums of money as it may think fit.]

**11. Control by the Central Government.**—(1) All acts of the Board shall be subject to the control of the Central Government which may cancel, suspend or modify as it thinks fit any action taken, or order passed, by the Board.

(2) The records of the Board shall be open to inspection at all reasonable times by any officer authorised in this behalf by the Central Government.

**12. Accounts of the Board.**—(1) The Board shall keep such accounts, and in such manner and form, as may be prescribed, respect of all moneys received and expended by it.

<sup>2</sup>[(2) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Board shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the audit of Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.

(4) The accounts of the Board as certified by the Comptroller and Auditor-General of India or any person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause a copy of the same to be laid before each House of Parliament.

(5) A copy of the accounts of the Board as so certified together with the audit report thereon shall be forwarded simultaneously to the Board.]

<sup>3</sup>[**12A. Annual report.**—The Board shall prepare for every financial year a report of its activities and achievements during that year and submit the report to the Central Government in such form and on or before such date as may be prescribed, and that Government shall cause a copy of the report to be laid before each House of Parliament.]

**13. Power of Central Government to make rules.**—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

<sup>4</sup>[(2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for all or any of the following matters, namely:—

(i) the term of office of members of the Board, the circumstances in which and the authority by which members may be removed and the filling of casual vacancies in the Board;

(ii) the procedure to be followed at meetings of the Board and at the standing committee for the conduct of business and the number of members which shall form a quorum at any meeting;

(iii) the maintenance by the Board of records of business transacted by the Board and the submission of copies thereof to the Central Government;

(iv) the holding of a minimum number of meetings every year;

(v) the power of the Board, its Chairman and Standing Committee with respect to the incurring of expenditure;

(vi) the conditions subject to which the Board may incur expenditure outside India;

1. Ins. by Act 31 of 1953, s. 7 (w.e.f. 25-3-1954).

2. Subs. by Act 21 of 1970, s. 4, for sub-sections (2) and (3).

3. Ins. by s. 5, *ibid.*

4. Subs. by Act 31 of 1953, s. 8, for sub-section (2) (w.e.f. 25-3-1954).

(vii) the preparation of budget estimates of receipts and expenditure of the Board and the authority by which the estimates are to be sanctioned;

(viii) the maintenance of the accounts of income and expenditure of the Board <sup>1\*\*\*</sup>;

<sup>2</sup>[(viiiia) the form of the annual report of the Board and the date on or before which it shall be submitted to the Central Government;]

(ix) the deposit of the funds of the Board in bank and the investment of such funds;

(x) the re-appropriation of estimated savings from one budget head to any other budget head;

(xi) the conditions subject to which the Board may borrow funds;

(xii) the conditions subject to which and the manner in which contracts may be entered into by or on behalf of the Board;

(xiii) the delegation to the Standing Committee or the <sup>3</sup>[Chairperson] or the <sup>4</sup>[Vice-Chairperson] or members or officers of the Board of any of the powers and duties of the Board under this act;

(xiv) the staff which may be employed by the Board and the pay and allowances, leave and other conditions of service of officers and other employees of the Board;

(xv) the travelling and other allowances of members of the Board and or the Standing Committee;

<sup>5</sup>[(xva) specifying the allowances or fees of the persons associated by the Committee under sub-section (2) of section 8A;

(xvb) matters incidental to the production, supply, distribution, trade and commerce in silk-worm seed under clause (x) of sub-section (2) of section 8B;

(xvc) manner of registration of a producer or dealer by the Registration Committee under sub-section (1) and form for making application and fees to be paid under sub-section (4) of section 8E;]

(xvi) the purposes for which funds of the Board may be expended;

(xvii) the maintenance of the registers and other records of the Board and of its Standing Committee;

(xviii) the collection of any information or statistics in respect of raw silk or any product of silk;

<sup>6</sup>[(xix) the manner of grading, marketing, developing and distributing raw silk and products of silk industry;]

(xx) any other matter which is to be or may be prescribed.

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<sup>8</sup>[**13A. Power to make regulations.** —(1) The Committee may, in consultation with the Board, and with the previous approval of the Central Government, by notification, make regulations not inconsistent with the provisions of this Act and the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(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: —

(i) procedure in regard to transaction of business at the meeting of the Committee under clause (a) of sub-section (6) of section 8A;

1. The words “and the audit of such accounts” omitted by Act 21 of 1970, s. 6.

2. Ins. by s. 6, *ibid.*

3. Subs. by Act 42 of 2006, s. 3, for “Chairman”, (w.e.f. 1-7-2007).

4. Subs. by s. 3, *ibid.*, for “Vice-Chairman” (w.e.f. 1-7-2007).

5. Ins. by s. 10, *ibid.* (w.e.f. 1.7.2007).

6. Subs. by s. 10, for clause (xix) (w.e.f. 1-7-2007).

7. Sub-section (3) omitted by s. 10, *ibid.* (w.e.f. 1-7-2007).

8. Ins. by s. 11, *ibid.* (w.e.f. 1-7-2007).

(ii) laying down of various standards relating to kinds or varieties, production, testing, supply, distribution, trade and commerce and export and import of silk-worm seed under sub-section (2) of section 8B;

(iii) to specify the criteria for establishing Central Silk-worm Seed Certification Agencies under section 8F, criteria and jurisdiction of Central Seed Testing Laboratories and qualifications of Seed Analysts under sub-sections (1) and (3) of section 8G and qualifications of Seed Officers and their other powers under sub-section (1) and clause (b) of sub-section (3) of section 8H;

(iv) the form, manner and intervals at which statement by producer and dealer may be furnished under section 8J.

**13B. Laying of rules, regulations and notifications.**—Every rule, regulation and notification made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or notification or both Houses agree that the rule or regulation or notification should not be made, the rule or regulation or notification shall thereafter have effect only in 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 or regulation or notification.]

**14. Penalties.** — <sup>1</sup>[(1)] If any person—

(a) in any return to be furnished under this Act makes any statement which is false and which he knows to be false or does not believe to be true, or

(b) obstructs any officer of the Board <sup>2</sup>[Committee and Registration Committee] in the exercise of any power, conferred, or the discharge of any duty imposed on him by or under this Act, or

(c) having the control or custody of any account book or other record, fails to produce such book or record when required so to do under this Act,

he shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

<sup>3</sup>[(2) If the person committing any offence specified in sub-section (1) is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything contained in sub-section (2), where an offence under sub-section (1) has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*— For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director” in relation to a firm means a partner in the firm.]

1. S. 14 renumbered as sub-section (1) of that section by Act 31 of 1953. s. 9 (w.e.f. 25-3-1954).

2. Ins. by the Act 42 of 2006, s. 12 (w.e.f. 1-7-2007).

3. Ins. by the 31 of 1953, s. 9 (w.e.f. 25-3-1954).

<sup>1</sup>**[14A. Penalty for contravention of sections 8C and 8E.]**—If any person contravenes the provisions of sections 8C and 8E of this Act or regulations made thereunder or any notification relating to silk-worm seed he shall be punishable with a fine of five thousand rupees which may extend to twenty-five thousand rupees besides suspension or cancellation of the registration to produce silk-worm seeds.]

**15.** [*Prosecution to be with consent of Central Government.*] *Omitted by the Central Silk Board (Amendment) Act, 2006 (42 of 2006), s. 14 (w.e.f. 1-7-2007).*

**15A.** [*Jurisdiction of Courts.*] *Omitted by s. 14, ibid. (w.e.f. 1-7-2007).*

**16. Bar of legal proceedings.**—No suit, prosecution or other legal proceeding shall lie against the Board, or any member or officer of the Board, for anything in good faith done or intended to be done under this Act.

<sup>2</sup>**[16A. Effect of Act and rules, etc., inconsistent with other enactments.]**—The provisions of this Act or any rule or regulation made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or any instrument having effect by virtue of any enactment other than this Act.]

**17.** [*Temporary powers of the Central Government.*] *Omitted by the Central Silk Board (Amendment) Act, 1953 (31 of 1953), s. 11.*

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1. Ins. by Act 42 of 2006, s. 13 (w.e.f. 1-7-2007).

2. Ins. by s. 15, *ibid.* (w.e.f. 1-7-2007).