

THE CENTRAL SILK BOARD ACT, 1948  
ACT NO. 61 OF 1948

1\* [20th September, 1948.]

An Act to provide for the development under Central control of the 2\*\*\* 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 2\*\*\* 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. 3\*[(2) It extends to the whole of India 4\*\*\*.]

5\*[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; (b) "charkha raw silk" means raw silk reeled from silk worm cocoons with the help of any instrument not worked by power; (c) "filature raw silk" means raw silk reeled from silk worm cocoons with the help of any instrument worked by power; (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; (f) "spun silk" means silk yarn spun from pierced or spoilt cocoons, fluff from cocoons, pieces of silk, noils, or other silk waste; ----- 1. The Act has been extended to Dadra and Nagar Haveli by Reg. 6 of 1963, s. 2 and Sch. I and to Pondicherry by Reg. 7 of 1963, s. 3 and Sch. 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 the former section. 68 (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. 1\*[(3) The Board shall consist of the following members, namely:-- (a) a chairman to be appointed by the Central Government; (b) not more than three officials to be nominated by the Central Government: 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; (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; (d) 2\*[five persons] to be nominated by the Government of 3\*[Karnataka], one of whom shall represent the filature raw silk industry and two shall represent the rest of the sericulture industry; (e) 4\*[one person] to be nominated by the Government of 5\*[Tamil Nadu]; (f) two persons to be nominated by the Government of West Bengal; (g) one person to be nominated by each of the Governments of 6\*[Andhra Pradesh], Assam, Bihar, 7\*[Gujarat], 8\*\*\* Madhya Pradesh and Uttar Pradesh; (h) one person

to be nominated by the Government of Jammu and Kashmir:-- -----

----- 1. Subs. by Act 31 of 1953, s. 4, for sub-section (3) (w.e.f. 25-3-1954). 2. Subs. by the Adaptation of Laws (No. 3) Order, 1956, for "four persons". 3. Subs. by the Mysore State (Alteration of Name) (Adaptation of Laws on Union Subjects) Order, 1974, for "Mysore" (w.e.f. 1-11-1973). 4. Subs. by the Adaptation of Laws (No. 3) Order, 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 Adaptation of Laws (No. 3) Order, 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 Adaptation of Laws (No. 3) Order, 1956. 69 (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.

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-Chairman and Standing Committee. (1) 1\*[The Central Government shall appoint from among the members of the Board] a Vice- Chairman who shall exercise such of the powers and perform such of the duties of the Chairman as may be prescribed or as may be delegated to him by the Chairman. (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 Chairman, the Vice-Chairman, and five others elected by the Board from among its members.

7. Secretary of the Board. The Central Government shall 2\*\*\* appoint a Secretary to the Board who 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 Chairman. ----- 1. Subs. by Act 56 of 1952, s. 3, for "The Board shall elect from among its members". 2. The words "in consultation with the Board" omitted by Act 31 of 1953, s. 5 (w.e.f. 25-3-1954). 70

8. Functions of the Board. (1) It shall be the duty of the Board to promote the development of the 1\*\*\* 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

silk-worm seeds, 2\*[reeling or, as the case may be, spinning of silk-worm 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; 3\* \* \* \* (d) improving the marketing of raw silk; (e) the collection of statistics from such persons as may be prescribed; 4\*[(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-- (a) to advise the Central Government on all matters relating to the development of the raw silk industry, including the import and export of raw silk; 5\* \* \* \* (c) to prepare and furnish such 6\*\*\* reports relating to the 1\*\*\* silk industry as may be required by the Central Government from time to time.

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 ----- 1. The word "raw" omitted by Act 31 of 1953, s. 6 (w.e.f. 25-3- 1954). 2. Subs. by Act 21 of 1970, s. 3, for "reeling of Silkworm cocoons". 3. Clause (c) omitted by s. 3, *ibid.* 4. Ins. by Act 31 of 1953, s. 6 (w.e.f. 25-3-1854). 5. Clause (b) omitted by Act 21 of 1970, s. 3. 6. The word "other" omitted by s. 3, *ibid.* 71 only in the performance of its functions under this Act or for meeting such expenses as are authorised by this 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 exercise 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. 1\*[(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 its may think fit.] -----

----- 1. Ins. by Act 31 of 1953, s. 7 (w.e.f. 25-3-1954). 72

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 authorized 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, in respect of all moneys received and expended by it. 1\*[(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.]

2\*[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<sup>3\*</sup> to carry out the purposes of this Act. -----  
----- 1. Subs. by Act 21 of 1970. s. 4, for sub-sections (2) and (3). 2. Ins. by s. 5, *ibid.* 3. For the Central Silk Board (Election) Rules, 1949, see Gazette of India, 1949, Pt. I, p. 91 and for the Central Silk Board Rules, 1955, see Gazette of India, 1955, Extraordinary, Pt. II, Sec. 3, p. 401. 73 1\*[(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; (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 2\*\*\*; 3\*[(viia) 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 Chairman or the Vice-Chairman or members or officers of the Board of any of the powers and duties of the Board under this Act; ----- 1. Subs. by Act 31 of 1953, s. 8, for sub-section (2) (w.e.f. 25-3- 1954). 2. The words "and the audit of such accounts" omitted by Act 21 of 1970, s. 60. 3. Ins. by s. 6, ibid. 74 (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 of the Standing Committee; (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; (xix) the manner in which raw silk shall be graded and marketed; (xx) any other matter which is to be or may be prescribed. 1\*[(3) Every rule made under this section 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 successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule 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.]

14. Penalties. 2\*[(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 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. 3\*[(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 ----- 1. Subs. by Act 21 of 1970, s. 6, for sub-section (3). 2. Section 14 was renumbered as sub-section (1) of that section by Act 31 of 1953, s. 9 (w.e.f. 25-3-1954). 3. Ins. by s. 9, ibid. 75 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.]

15. Prosecution to be with consent of Central Government. No prosecution for any offence punishable under this Act shall be instituted except by, or with the consent of, the Central Government.

1\*[15A. Jurisdiction of Courts. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence punishable under section 14.]

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.

17. [Temporary powers of the Central Government.] Rep. by the Central Silk Board (Amendment) Act, 1953 (31 of 1953), s. 11. -----  
----- 1. Ins. by Act 31 of 1953, s. 10 (w.e.f. 25-3-1954).