



THE INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN ORDINANCE, 1961



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SCHEDULE I
Schedule i

THE INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN ORDINANCE, 1961

¹ORDINANCE ON XXXI OF 1961

[29th July, 1961]

An Ordinance to establish an Industrial Development Bank

WHEREAS it is expedient to establish an Industrial Development Bank to replace the Pakistan Industrial Finance Corporation and to provide for making credit facilities expeditiously available to industrial concerns in Pakistan and for matters connected therewith and incidental thereto ;

NOW, THEREFORE, in pursuance of the Proclamation of the seventh day of October, 1958, and in exercise of the powers conferred by Article 2 of the State Arrangements Order, 1959, and all other powers enabling him in that behalf, the Minister exercising the functions of the President is pleased to make and promulgate the following Ordinance :-

1. Short title, extent and commencement.-(1) This Ordinance may be called the Industrial Development Bank of Pakistan Ordinance, 1961.

(2) It extends to the whole of Pakistan and also applies to the business of the Bank transacted outside Pakistan and to persons conducting such business.

(3) It shall come into force on such date² as the ³[Federal Government] may, by notification in the official Gazette, direct.

2. Definitions.-In this Ordinance, unless there is anything repugnant in the subject or context,-

- (a) "Bank" means the Industrial Development Bank of Pakistan established under this Ordinance ;
- (b) "Board" means the Board of Directors of the Bank ;
- (c) "Chairman" means the Chairman of the Board ;
- (d) "Corporation" means the Pakistan Industrial Finance Corporation established under the Pakistan Industrial Finance Corporation Act, 1949 (I of 1949) ;

¹ This Ordinance and the rules, notifications and orders made thereunder, have been applied to the whole of the Federally Administered Tribal Areas or to the part of those Areas to which they do not already apply, by Regulation No. I of 1975, s. 2 and Sch.

² This Ordinance and the rules, notification and orders made thereunder, as in force in N.W.F.P. before the 15th July, 1975 have been applied to the District of Chitral, Dir and Swat and Malakand Protected Areas of the N.W.F.P. by Regulation No. III of 1975, s. 2 and Sch.

³ The 1st August, 1961, see Gaz of P., 1961 Ext., p. 1193.

³ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Government".

¹[(dd) "credit facility" means a loan advanced by the Bank to an industrial concern, either in rupees or in foreign currency or partly in rupees and partly in foreign currency, and includes any guarantee or indemnity which the Bank may give on behalf of an industrial concern ;]

(e) "Director" means a Director of the Bank ;

²[(ee) 'District Judge' shall include ³[an Additional District Judge and] in respect of areas where a District Judge does not have unlimited pecuniary jurisdiction in original civil suits, a High Court or a bench of a High Court exercising original civil jurisdiction ;]

(f) "industrial concern" means a concern engaged or to be engaged in any industry, or in the manufacture, preservation or processing of goods, specified in Schedule I which the ⁴[Federal Government] may, from time to time, by notification in the official Gazette, amend so as to include therein any new industry or goods, or to exclude therefrom, or vary the description of, any industry or goods so specified or included ;

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¹ Ins. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 2.

² This clause was ins. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance 4 of 1981 s. 2.

³ Ins. by Ordinance 4 of 1981 s. 2.

⁴ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Government".

⁵ Cl. (ff) omitted by Ordinance 4 of 1981, s. 2, which was previously ins. by Ordinance 19 of 1965, s. 2.

- (g) "Managing Director" means the Managing Director of the Bank and includes any person for the time being discharging the functions of the Managing Director;
- (h) "regulation" means a regulation made under this Ordinance ;
- (i) "rule" means a rule made under this Ordinance;
- (j) "scheduled bank" has the same meaning as in the State Bank of Pakistan Act, 1956 (XXXIII of 1956) ;
- (k) "short-term", "medium-term" and "long-term", used in relation to advance, loan or credit made or granted by the Bank, means advance, loan or credit for such term as may, in each case, be prescribed by regulations ;
- (l) "State Bank" means the State Bank of Pakistan;
- (m) "underwriting" means contracting with or without conditions to subscribe for stocks, shares, bonds or debentures, of an industrial concern with a view to re-sale of all or part of such stocks, shares, bonds or debentures.

3. Establishment and incorporation of the Bank.¹[(1)On the coming into force of this Ordinance, there shall be establish, in accordance with the provisions of this Ordinance a bank to be called the Industrial Development Bank of Pakistan for the purposes of this Ordinance.]

(2) The Bank shall be a body corporate by the name of the Industrial Development Bank of Pakistan, having perpetual succession and a common seal, with power, subject to the provisions of this Ordinance, to acquire, own and dispose of any property and shall, by the said name, sue and be sued.

²[(3) The Bank shall be deemed to be a banking company for the purposes of the State Bank of Pakistan Act, 1956 (XXXIII of 1956), the Banking Companies Ordinance, 1962 (LVII of 1962), and any other law for the time being in force relating to banking companies.

4. Share capital.-(1) The share capital of the bank shall, in the first instance, be three crores of rupees divided into three lakh fully paid up shares of one hundred rupees each and may, with the approval of the ³[Federal Government], be increased from time to time by the Board.

⁴[(2) All the shares of the Bank, except those held by a provincial Government or a corporation owned or controlled by the Federal Government, shall be held by the Federal Government.]

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¹ Subs. and shall be deemed always to have been so subs., by the Industrial Development Bank of Pakistan; (Amdt.) Ordinance 1965., (19 of 1965) s. 3, for the original sub-section. (1)

² Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 2, for sub-section (3).

³ Subs. *ibid.*, s. 12, for "Central Government".

⁴ Subs. by the Industrial Development Bank of Pakistan (Amdt.) ordinance, 1981 (4 of 1981), s. 3, for sub-section (2).

⁵ Sub-section (3), (4) and (5) omitted *ibid.*

5. Guarantee by the Federal Government. The ¹[Federal Government] may, if it considers expedient in the interest of the Bank, by notification in the official Gazette guarantee the payment of the principal amount subscribed for the shares of the Bank and the payment of annual dividend on such shares at such minimum rate as may be fixed by it.

6. Shares deemed to be securities under certain Acts. The shares of the Bank shall be deemed to be included among the securities enumerated in section 20 of the Trust Act, 1882 (II of 1882), and to be approved securities for the purposes of the Insurance Act, 1938 (IV of 1938), and the ²[Banking Companies Ordinance, 1962 (LVII of 1962)].

7. Numbering of shares. Every share of the Bank shall be assigned a number and shall be distinguished by such number.

8. Register of shareholders.- ³[(1) The Bank shall maintain a register of shareholders at its head office].

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9. *[Qualifications of Shareholders] Omitted by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 IV of 1981., s. 6.*

10. Notice regarding trust. The Bank shall not enter into in any register of shareholders any notice of any trust express, implied or constructive, nor be under any obligation to receive any such notice.

¹ Subs. *ibid.*, s. 12, for "Central Government".

² Subs. by ordinance, 4 of 1981, s. 4, for certain words.

³ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance 1981 (4 of 1981, s. 5, for sub-section (5), which was previously amended by F.A.O., 1975, Art 2 and Sch.

⁴ Sub-sections (2), (3) and (4) omitted *ibid.*

11. Offices, branches, etc.-(1) Unless the ¹[Federal Government], by notification in the official Gazette, otherwise directs, the head office of the Bank shall be at Karachi.

(2) The Bank may establish regional and other offices, branches and agencies at such places in Pakistan as the Board may think fit.

(3) The Bank may also establish branches, offices and agencies outside Pakistan.

12. Direction and superintendence.-(1) The general direction and superintendence of the affairs and business of the Bank shall, vest in a Board of Directors of the Bank constituted in accordance with section 13 which may exercise all such powers and do all such acts and things as may be exercised or done by the Bank and are not, by this Ordinance, expressly directed or required to be done by the Bank in the general meeting.

(2) The Board in discharging its functions shall act on commercial considerations with due regard to the interests of industry and commerce and to the public interest generally.

(3) In the discharge of its functions the Board shall be guided on questions of policy by the instructions, if any, given to it by the ¹[Federal Government] which shall be the sole judge as to whether a question is a question of policy.

(4) If the Board fails to carry out the instructions given to it under subsection (3), the ¹[Federal Government] may supersede the Board and appoint any person or body to function in the place of such Board until a new Board is constituted in accordance with the provisions of this Ordinance and no such supersession or appointment shall be questioned in any Court.

13. Board.- ²[(1) The Board shall consist of the following Directors, namely :-

(a) the Chairman;

³(b) seven persons to be appointed by the Federal Government as follows :-

(i) two persons serving under the Federal Government, of whom one each shall be from the Ministries of Industries and Finance;

(ii) four persons serving under the Provincial Governments, of whom one shall be from each Province ; and

(iii) one person from a financial institution; and]

⁴ * * * * *

(d) the Managing Director.

(2) A Director appointed under clause (b) of sub-section (1) shall hold office during the pleasure of the ¹[Federal Government].

¹ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act. 1973 (33 of 1973), s. 12, for "Central Government".

² Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1971 (20 of 1971), s. 2, for sub-section (1).

³ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1983 (25 of 1983), s. 2, for cl. (b), which was previously amended by various enactments.

⁴ Cl. (c) omitted by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 7, which was previously amended by various enactments.

14. Chairman.-(1) A Chairman shall be appointed by the ²[Federal Government] and such appointment may be honorary or on such terms and conditions as the ²[Federal Government] may determine.

³[(2) Unless the ²[Federal Government] otherwise directs, the Chairman shall hold office for a term of three years.]

(3) A casual vacancy in the office of the Chairman shall be filled by the ²[Federal Government] and the person appointed to fill such vacancy shall, unless the ²[Federal Government] otherwise directs, hold office for the unexpired period of the term of his predecessor.

15. Managing Director.-(1) The Managing Director shall be appointed by the ²[Federal Government] on such salary and terms and conditions as the ²[Federal Government] may determine.

(2) The Managing Director shall, unless the Federal Government otherwise directs, hold office for a term of three years which the ²[Federal Government] may, from time to time, extend.

(3) The Managing Director shall be a wholtime officer of the Bank and shall perform such functions as are assigned by this Ordinance or may be assigned by the Board :

Provided that the ²[Federal Government] may utilise the services of the Managing Director for any other work.

⁴**16. Deputy Managing Director.**-The Board may, with the approval of the Federal Government , appoint one or more Deputy Managing Directors on such terms and conditions as the Board may, at the time of appointment fix, for a term not exceeding three years at a time which may, from time to time, be extended by the Board with like approval.]

17. Qualifications and disqualifications of Directors.-(1) No person shall be or shall continue to be a Director who-

¹ Sub-section (3), (3A) and (4) Omitted by the Industrial Development Bank of Pakistan (Amdt) Ordinance, 1981 (4 of 1981), s. 7, which was previously amended by Act 33 of 1973, s. 3, for sub-section (3).

² Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12 for "Central Government".

³ Subs. by Act., 33 of 1973, s. 4, for sub-section (2).

⁴ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 8, for section 16.

- (a) is or has at any time been convicted of an offence which in the opinion of the ¹[Federal Government] is an offence involving moral turpitude ;
- (b) is a minor ;
- (c) is found to be lunatic or becomes of unsound mind;
- (d) is for the time being disqualified for membership of any elective body under any law for the time being in force ;
- (e) is a salaried official of the Bank, other than the Managing Director ;
- ²[(f) is a Director of any bank or financing institution, not being a Director appointed by the ¹[Federal Government] or a Provincial Government ³[by virtue of his office,] or of a co-operative bank ' r is in the employment, whether on salary or on commission, of, or is engaged in the performance of any continuous service for remuneration for, any bank or financing institution;]
- (g) is or at any time has been adjudicated an insolvent or has suspended payment or compounded with his creditors;
- (h) without leave of absence from the Board, absents himself from all the meetings of the Board for a continuous period of six months or, if less than three meetings are held within such period, from three consecutive meetings of the Board ; ^{*5}
- ⁶[(i) was dismissed from the service of the Federal Government or a Provincial Government or of a statutory body or corporation or board owned or controlled by any such Government or from the service of any bank ;]
- ⁷[(j) or a company or a firm in which he has substantial interest, has failed to pay an advance made or loan granted to him or the company or the firm by this Bank or any other banking company, or defaulted in the payment of any instalment of such advance or loan or interest thereon, of any amount due on any guarantee, or to do or perform any act agreed or undertaken in writing to be done or performed by him or the said company or firm, and such failure continues for a period of one month after notice in writing has been served by the Bank or other banking company calling upon him, or the said company or firm to do or perform the act.]

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18. Executive Committee.-(1) The Board ⁹[may] constitute an Executive Committee consisting of the following members to assist it in the discharge of its functions under this Ordinance :-

- (a) the Managing Director ;
- (b) two appointed Directors nominated by itself; and

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¹ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Government".

² Cl. (f) was subs. by the Industrial Development Bank of Pakistan (Amdt.) ordinance, 1965, (19 of 1965), s. 4.

³ Ins. by Act, 33 of 1973, s. 5.

⁴ The word "or" omitted by the industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 5.

⁵ Subs. by the Industrial Development Bank of Pakistan (Amdt.) ordinance, 1981 (4 of 1981), s. 9, for cl. (i), which was previously amended by Act 33 of 1973, s. 5.

⁶ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 9, for cl. (i), which was previously amended by Act 33 of 1973, s. 5.

⁷ Cl. (j) added by Act 33 of 1973, s. 5.

⁸ Sub. section (2) omitted by Ord. 4 of 1981, s. 9.

⁹ Subs. *ibid.*, s. 10, for "shall".

¹⁰ Cl. (c) omitted *ibid.*

¹[(1A) The Executive Committee may, if it considers necessary or expedient, co-opt as its member any other Director.]

(2) The members of the Executive Committee shall hold office for such period as may be prescribed by regulations.

(3) The minutes of every meeting of the Executive Committee shall be laid before the Board for approval at its meeting next following the meeting of the Committee.

(4) Subject to general or special directions of the Board, the Executive Committee may deal with any matter within the competence of the Board.

19. *[Technical Advisory Committee.] Omitted by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (XXXIII of 1973), s. 6.*

²20. *[Local Board.] Omitted by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (IV of 1981), s. 11.*

21. Annual general meeting and special meetings of the shareholders.(1) The annual general meeting of the shareholders shall be held on such date in the first week of September every year or as soon thereafter as is convenient, at such time and place in the Pakistan as may be fixed by the Board;

Provided that the first annual 'general meeting of the shareholders shall be held in Karachi.

(2) The Board shall submit at the annual general meeting for the consideration of shareholders a balance-sheet and a statement of profit and loss of the Bank for the financial year ending on the thirtieth day of June next preceding such meeting.

(3) The Board may convene a special meeting of the shareholders to be held at such time and place as it may fix for consideration of any matter which, in the opinion of the Board, ought to be considered by the shareholders.

(4) Every shareholder shall be entitled to attend a meeting of the shareholders, but no shareholder shall be entitled to vote at any such meeting unless he :-

(a) has been registered as a shareholder for a period of not less than three months prior to the date of such meeting ; and

(b) has paid all calls and other sums presently payable by him in respect of shares of the Bank.

(5) Every shareholder entitled to vote shall, when present in person, have one vote to be cast by show of hands.

(6) On a poll each shareholder entitled to vote shall have one vote for every five shares and may give his vote either personally or by proxy.

¹ Sub. section (1A) was ins. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1965 (19 of 1965), s. 5.

² S. 20. Omitted by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 11, which was Previously amended by Act 33 of 1973 s. 7, for sub. Section (1).

22. Meeting of the Board and the Executive Committee.-(1) No business of the Board or of the Executive Committee shall be transacted except at a meeting at which a quorum of four Directors in the case of the Board and two members in the case of the Executive Committee is present.

(2) The meetings of the Board and of the Executive Committee shall be held at such times and at such places as may be prescribed by regulations;

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(3) All meetings of the Board shall be presided over by the Chairman, and of the Executive Committee by the Managing Director, and in the absence of the Chairman or the Managing Director, as the case may be,-

- (a) by a Director other than the Managing Director authorised in writing by the Chairman, and in the absence of such authorization, by a Director chosen by the Directors present at the meeting from amongst their number; and
- (b) by a member authorized in writing by the Managing Director, and in the absence of such authorization, by a member chosen by the members present at the meeting from amongst their number.

(4) At a meeting of the Board or of the Executive Committee, each Director or member, as the case may be, shall have one vote, add in the case of equality of votes, the person presiding shall have a second or casting vote;

²[Provided that no Director or member shall

- (i) vote on any matter relating to an industrial concern in which he is ³[directly or indirectly] interested ; or
- (ii) vote on any scheme initiated by a company in which he is a director or ⁴[beneficially owns] any share.]

⁵[(4A) No loan or an advance shall be sanctioned by the Board without the approval of Government for a project or under-taking or company in which a Director of the Bank or any of his family members has substantial interest.

Explanation.- In this section and in section 17, the expressions "substantial interest" and "family members" have the same meaning as in the Banking Companies Ordinance, 1962.

(5) No act or proceeding of the Board or of the Executive Committee, or of any person acting in good faith as a Director or member of the Executive Committee, shall be invalid or questioned merely on the ground of the existence of any vacancy in, or any defect in the constitution of, the Board or the Executive Committee, or of any defect in the appointment or qualification of the Director or member, as the case may be.

¹ Proviso omitted by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 12.

² Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act 1973 (33 of 1973), s. 8, for the Proviso.

³ Ins. by Ord. 4 of 1981, s. 12.

⁴ Subs. *ibid.*, for "holds".

⁵ New sub-section (4A) by Act 33 of 1973, s. 8.

23. Fees for attending meetings. A Director, shall be paid such fees for attending meetings of the Board or of a Committee as may be prescribed by regulations.

24. Appointment of Officers, Advisers, etc. The Bank may appoint such officers, advisers, consultants, agents and servants as it considers necessary or the efficient performance of its functions.

25. Declaration of fidelity and secrecy. Every Director, member of any Committee, adviser, auditor, consultant, agent, officer or servant of the Bank shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in Schedule III.

26. Indemnity of Directors.-(1) Every Director shall be indemnified by the Bank against all losses and expenses incurred by him in the discharge of his duties except such as are caused by his own wilful act or default.

(2) A director shall not be personally responsible for the acts of any other Director or of any officer or servant of the Bank for any loss or expense resulting to the Bank by reason of the insufficiency or deficiency in value of or title to any property or security acquired or taken on behalf of the Bank, or by the wrongful act of any person under a liability to the Bank, or by anything done by him in good faith in the discharge of his duties.

27. Business which the Bank is authorised to transact.-The Bank may carry on and transact several kinds of business hereinafter specified, namely :-

(1) advancing and lending of money and opening of cash-credits for the specific purpose of assisting an industrial concern upon the security of :-

- (a) stocks, funds and securities in which a trustee is authorised to invest trust money by any law for the time being in force ;
 - (b) debentures or other securities for money issued by, or on behalf of, a local authority, under any law for the time being in force ;
 - (c) goods and machinery which, or documents of title to which, are deposited with, or assigned to, the Bank as security for such advances, loans or credits ;
 - (d) debentures of companies with limited liability, subject to directions as may be issued by the Central Board ;
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- (e) shares of companies with limited liability with the prior approval of the Board ;
- (f) accepted bills of exchange and promissory notes endorsed by the payees and joint and several promissory notes to two or more persons or firms unconnected with each other in general partnership ; *¹
- (g) immovable property or such documents of title relating to immovable property as have been deposited with or assigned to the Bank ²[;]
- ³[(h) pledge, mortgage, hypothecation or assignment of any property, moveable or immovable, to the extent determined by the Board or an agreement to mortgage, hypothecate or assign any property which may be acquired in future with or without the financial assistance of the Bank.
- (i) any other property, moveable or immovable, guarantee, security, asset, present or future, or moneys that the Board may consider necessary and sufficient in the circumstances to protect the interests of the Bank; and
- (j) deposits and cash accounts received or kept by the Bank under sub-clause (7) :

Provided that no security shall be accepted as security unless it is free from all encumbrances and charges except to the extent otherwise provided herein or in any agreement between the Bank and the industrial concerns :]

Provided ⁴[further] that no security shall be necessary in the case of advances or loans guaranteed by the ⁵[Federal Government] or a Provincial Government ;

(2) guaranteeing loans, debts, and credits raised, or incurred by or granted to an industrial concern and re-payable within a period not exceeding twenty years ;

(3) granting loans to, or subscribing to debentures of, industrial concerns, such loans or debentures being re-payable within a period not exceeding twenty years from the date on which they are granted or subscribed to, as the case may be ;

¹ The word "and" omitted by the industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 13.

² Subs. *ibid.*, for the colon.

³ Added *ibid.*

⁴ Ins. *ibid.*

⁵ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act 1973 (33 of 1973), s. 12, for "Central Government".

(4) selling and realization of proceeds of sale of any promissory notes, debentures, stock receipts, bonds, annuities, stocks, shares, securities goods or immovable properties which, or the documents relating to which, have been deposited ¹[which], or pledged, hypothecated, assigned or transferred to the Bank as security for such advances, loans or credits, or which are held by the Bank or over which the Bank is entitled to any lien or charge in respect of any such advances, loans or credits or any debt or claim of the Bank, and which have not been redeemed in due time in accordance with the terms and conditions, if any, of such deposit, pledge, hypothecation, assignment or transfer ;

²[(5) investing of the funds of the Bank upon any of the securities specified in sub-clause (a), (b), (d) and (e) of clause (1) or in the units of a Unit Trust and converting the same into money when required, and transposing, altering and converting investment upon such securities or in subv units for or into any other investment and selling and mortgaging any such securities or units ;]

(6) giving of call loans which are commonly known as inter-bank call loans to scheduled Banks ;

(7) receiving of deposits and keeping cash accounts;

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(8) accepting charge of title-deeds, plate, jewels or other valuable goods ;

(9) selling and realising of all property whether movable or immovable which may in any way come into possession of the Bank in satisfaction or part satisfaction of any of its claims, and the acquisition and holding of, and generally the dealing with, any right, title or interest in any property movable or immovable which is the security for any advance or loan made or guaranteed by the Bank connected with any such security ;

(10) transacting of pecuniary agency business on commission and the entering into contracts of indemnity, surety- ship or guarantee with specific security or otherwise ;

(11) underwriting the issue of stock, bonds or debentures by industrial concerns ;

(12) receiving and recovering such commission as may be agreed upon in consideration of any guarantee or underwriting ;

(13) acquiring and retaining as part of its assets any stock, shares, bonds or debentures which it may have to take up in discharge of any liability incurred through underwriting any issue subject to the condition that any stock, shares, bonds or debentures so acquired shall be disposed of as early as possible within a period of not more than seven years from the date of such acquisition ;

(14) drawing, accepting, discounting, buying and selling of bills of exchange and other negotiable Instruments ;

(15) buying of bills of exchange payable outside Pakistan;

(16) issuing of letters of credits ;

(17) drawings of bills of exchange and the granting of letters of credit payable outside Pakistan ;

¹ Sic. should read "with".

² Subs. and shall be deemed always to have been so such by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1965 (19 of 1965), s. 6, for the original clause (5)

³ Proviso omitted by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981, (4 of 1981) s. 13.

(18) borrowing of money for the purpose of its business and giving of security for money so borrowed by pledging assets or otherwise ;

(19) acquiring, maintaining and transferring its residential and business premises ;

(20) taking over, running and selling of such industrial concerns as have failed to re-pay in full the loan taken from the Bank ;

(21) subscribing directly to the stock of any industrial concern with the approval of the ¹[Federal Government] ;

(22) subsidising from time to time of the provident or other funds created for the benefit of its employees ;

(23) appointing of agents in or outside Pakistan for transposing pecuniary business on commission;

(24) carrying out of survey and research of industries and maintaining statistics relating thereto ;

(25) administering as agent to the ¹[Federal Government] such loans and in such manner as the ¹[Federal Government] may direct ; *²

³[(25a) managing and administering the Equity Participation Fund under the Equity Participation Fund Ordinance, 1970; and]

(26) generally doing of all such matters and things as may be incidental or subsidiary to the transacting of any of the aforesaid business including foreign exchange business.

28. Conditions relating to certain business.-(1) In respect of business provided for in clauses (1), (2) and (3) of section 27 preference shall be given to medium-term and long-term credit needs of small-scale and medium-scale industries ;

⁴[(2) Short-term advance and loans for the purposes of working capital may be made by the Bank to any industrial concern in accordance with the rules made in this behalf and subject to such restrictions as may be laid down by the JState BANK from time to time.]

(3) No guarantee, loan or subscription provided for in clauses (2) and (3) of section 27 shall be made-

¹ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Government".

² The word "and" omitted by the Industrial Development Bank of Pakistan (Amdt.). Ordinance, 1970 (2 of 1970), s. 2.

³ Ins. *ibid*.

⁴ Subs. by the dIndustrial Development Bank of Pakistan (Amdt.) Ordinance, 1983 (25 of 1983), s. 3, for sub-section (2).

¹[(a) except with the approval of the ²[Federal Government].-

- (i) the aggregate amount of which exceeds, in the case of an industrial concern not incorporated under the Companies Act, 1913 (VII of 1913), ³[one and a half million rupees, or in the case of any other concern, ⁴[such amount as the Federal Government may, by notification in the official Gazette, specify] ; or
- (ii) the foreign exchange component of which exceeds, in the case of an industrial concern not incorporated under the Companies Act, 1913 (VII of 1913) ⁵[one million rupees, or in the case of any other concern, ³[such amount as the Federal Government may, by notification in the official Gazette, specify].

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29. Transaction of other business.-Notwithstanding anything contained in section 27 ⁸[or 28], the Bank may :-

(1) with the previous approval, of and subject to such terms and conditions as may be determined in consultation with, the ²[Federal Government], grant loans and advances and provide other accommodation to any industrial concern or, for the benefit of such concern, to any local authority, organisation or institution ; and

(2) grant loans to, or for the purposes of, any development project or class of such projects which the ²[Federal Government] may, by notification in the Official Gazettee, declare to be eligible for loans from the Bank:

¹ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1965 (19 of 1965), s. 7, for the original cl. (a).

² Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Government".

³ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 14, for certain words, which were previously amended by Act 33 of 1973, s. 9.

⁴ 5 Subs. by Ord. 25 of 1983, s. 3 for "fifteen million rupees".

⁵ Subs. *ibid.*, for "twelve million rupees".

⁶ Cl. (b) omitted by Ordinance, 4 of 1981, s. 14.

⁷ Cl. (c) Omitted by Act, 33 of 1973, s. 9.

⁸ Ins. by Ord. 4 of 1981, s. 15.

30. Prohibited business.—The Bank shall not undertake or transact any kind of business other than those authorised by or under this Ordinance, and, in particular, it shall not----

(a) make any advance or loan-

(i) upon the security of its shares, or

(ii) except as provided in section 29, to any concern other than an industrial concern,
and

(b) discount or buy, or advance, lend or open cash-credit on the security of, any negotiable instrument of any Individual or partnership firm which does not carry on it the several responsibilities of at least two persons or firms not connected with each other in general partnership.

31. Borrowing power.—(1) The Bank may, for the purpose of raising its working capital, with the prior approval of the ¹[Federal Government], issue and sell bonds and debentures carrying interest at such rates as may be approved by the ¹[Federal Government] ;

Provided that the total of the sums due on such bonds and debentures issued and outstanding and the contingent liabilities of the Bank in respect of guarantee or underwriting agreements shall not at any time, exceed ²[ten times] the amount of the paid-up share capital and the Reserve Fund of the Bank.

(2) The bonds and debentures of the Bank shall be guaranteed by the ¹[Federal Government] as to the re-payment of principal and payment of interest at such rate as may be fixed by the ¹[Federal Government] at the time the bonds and debentures are issued.

(3) The Bank may, for the purpose of granting loans to industrial concerns in foreign currency and with the prior approval of the ¹[Federal Government], borrow such currency from the International Bank for Reconstruction and Development or any other agency, and may pledge, mortgage, hypothecate or assign to the said International Bank or other agency all or any part of the security taken by the Bank for the loans granted in foreign currency.

32. Power to impose conditions.—(1) For the purpose of transacting any business under this Ordinance with any industrial concern, the Bank may impose such conditions as it may consider necessary or expedient for protecting its interest and securing that its guarantee underwriting, loan subscription or other aid is put to such use by the industrial concern as the Bank has agreed to.

¹ Subs. by the industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Governmetn".

² Subs. *ibid.*, s. 10, for "five times".

(2) Any condition imposed on an industrial concern under subsection (1) shall be valid and shall, notwithstanding anything contained in any other law for the time being in force, be enforceable against such concern.

33. Repayment of loans in foreign currency.—All loans granted to an industrial concern in foreign currency shall be repaid in accordance with the terms of the loan or, in the absence of any such terms, as may, In each case, be determined by the Board, either—

- (1) in the currency in which they were granted ; or
- (2) in Pakistan currency at the rate of exchange prevailing on the date of repayment.

34. Disposal of profit.—(1) The Bank shall establish a Reserve Fund to which shall be credited such amount out of its net annual profit as the Board may determine.

(2) After deducting the amount under subsection (1) and making provision for bad and doubtful debts, depreciation of assets ²[contribution to staff and superannuation funds and all other contingencies for which provision is necessary under any law] and such other matters as are usually provided for by bankers or are considered expedient in the interest of the Bank, the Bank may, out of the surplus remaining from that net annual profit, declared such dividend as may be approved by the ¹[Federal Government] ,

35. Auditors.—(1) The accounts of the Bank shall be audited by not less than two chartered accountants within the meanings of the Chartered Accountants Ordinance, 1961, appointed from amongst those approved in this behalf by the Federal Government by the shareholders at the general meeting on such remuneration to be paid by the Bank as the shareholders may fix.

(2) Every auditor appointed under subsection (1) shall be given a copy of the annual balance-sheet of the Bank, and shall examine it together with the accounts and vouchers relating thereto, and shall have a list delivered to him of all books kept by the Bank, and shall at all reasonable times have access to the books, accounts and other documents of the Bank, and may in relation to such accounts examine any Director or officer of the Bank.

(3) The auditors shall report to the shareholders upon the annual balance-sheet an account, and in their report they shall state whether in their opinion the balance-sheet is a full and fair balance sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, and in case they have called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(4) The ¹[Federal Government] may, at any time issue directions to the auditors requiring them to report to it upon the adequacy of measures taken by the Bank for the protection of its shareholders and creditors or upon the sufficiency of their procedure in auditing the affairs of the Bank, and may, at any time, enlarge or extend the scope of the audit or direct that a different procedure in audit be adopted or that any other examination be made by the auditors if in its opinion the public interest so requires.

¹ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Government".

² Ins. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 16.

(5) The Bank shall furnish to each shareholder at least fifteen days before the date of the general meeting a copy of the audited balance-sheet together with a copy of profit and loss account for the year and a report on the working of the Bank during the year and shall also cause the said balance sheet and profit and loss account to be published in the official Gazette a¹ * * *

36. Government Auditors. Without prejudice to anything contained in section 35, the ²[Federal Government] may appoint such auditors as it thinks fit to examine and report on the accounts of the Bank.

37. Return. ³* * * * *

(2) The Bank shall furnish in the prescribed form to the ²[Federal Government] at least once a year, or as frequently as the ²[Federal Government] may require, a classification of its loans and investments, and all loans guaranteed by it and underwriting agreements entered into by it.

(3) The Bank shall furnish to the ²[Federal Government] within three months of the close of the financial year an audited statement in the prescribed form of its assets and liabilities as they stand at the close of that year together with a profit and loss account for the year and a report on the working of the Bank during the year, and shall also publish the said statement, account and report in the official Gazette.

38. Power to call for payment before agreed period. Notwithstanding any agreement to the contrary, the Bank may, by notice, require any industrial concern to which it has granted any loan ⁴[or any person liable for payment of such loan] forthwith to repay the loan in full, if---

- (a) it appears to the Board that information false or misleading in any material particular has been given in the application for the loan ; or
- (b) the concern has failed to comply with the terms of any agreement with the Bank in the matter of the loan ; or
- (c) there is a reasonable apprehension that the concern is unable to pay ⁵[or discharge its debts or liabilities] or may go into liquidation ; or
- (d) the property pledged, mortgaged, hypothecated or assigned to the Bank as security for the loan, is not insured or kept insured by the concern to the satisfaction of the Bank or has, in the opinion of the Board, depreciated in value ⁶* * * and further security to the satisfaction of the Board is not given ; or
- (e) without the permission of the Board, machinery or other equipment is removed from the premises of the concern without being replaced ; or

¹ Certain words omitted by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 17.

² Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Government".

³ Sub-section (1) omitted by Ord. 4 of 1981, s. 18.

⁴ Ins. by the industrial Development Bank of Pakistan (Amdt.) Ordinance, 1965 (19 of 1965), s. 8.

⁵ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 19, for its "debts".

⁶ The word "by more than twenty per cent" omitted *ibid*.

- (f) for any other reason, it is necessary, in the opinion of the Board, to protect the interest of the Bank ¹[; or]
- ²[(g) the loan or any part thereof is not being utilized for the purposes for which it was made or is found to have been utilized for other purposes ; or
- (h) the property, pledged mortgaged, hypothecated or assigned to the Bank as security for the loan, or any other security for the loan, has, without the permission of the Bank, been disposed of or charged, or otherwise alienated in any manner, by the industrial concern ; or
- (i) in the opinion of the Board, the management or business of the industrial concern is not being conducted in a satisfactory manner or its share capital is being impaired.]

39. Special provisions for enforcement of claims by the Bank.- ³[(1) Where the bank becomes entitled to require the immediate payment of any loan ⁴* * * by reason of the breach of any condition of any agreement between the Bank and an industrial concern to which the loan has been granted or any person liable for ⁵[repayment] of that loan, or where an industrial concern to which any loan has been granted or any person liable for ⁵[repayment] of that loan fails to repay the loan ⁶[in terms thereof] or in compliance with the notice under section 38, an officer of the Bank, generally or specially authorised by the Board in this behalf, may apply to the District Judge within the local limits of whose jurisdiction the concern carries on the whole or a ⁷ part of its business, or the office or branch of the Bank from which the loan was disbursed is situated, for one or more of the following relief, namely. :—

- ⁸[(a) an order for the sale of the property pledged, mortgaged, hypothecated or assigned to the Bank as security for the loan and any other properties, disclosed or undisclosed, of the industrial concern or the properties, disclosed or undisclosed, of persons liable for the repayment of the loan, including guarantors ; or
- (b) an order for the transfer of the management of the industrial concern to the Bank or its nominee, provided that when such management is so transferred to the Bank, the Bank shall be deemed to be the agent of the industrial concern and shall manage the industrial concern on its behalf and all actions taken by the Bank on such transfer shall be deemed to be those of the industrial concern; or]
- (c) an injunction *ad interim* where there is apprehension that machinery or equipment may be removed from the premises of the concern without the permission of the Board.

¹ Subs. *ibid.*, for full-stop.

² New cls. (g), (h) and (i) added *ibid.*

³ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1965 (19 of 1965), s. 9, for the original sub-section (1).

⁴ The words "before the due date" omitted *ibid.*, s. 20.

⁵ Subs. *ibid.*, for "payment".

⁶ Subs. *ibid.*, for "by the due date."

⁷ The word "substantial" omitted *ibid.*

⁸ Subs. *ibid.*, for cls. (a) and (b).

¹[(2) An application under subsection (1) shall state the nature and extent of the liability of the concern to the Bank, the ground on which it is made and such other particulars as may be prescribed by rules.

(3) When the application is for the relief mentioned in clause (a) of sub-section (1), the District Judge shall

- (a) pass an order *ad interim* attaching such property referred to in clause (a) as aforesaid as are likely in the estimation of the Court to fetch, on being sold, an amount equivalent to the sums claimed by the Bank together with the costs of the proceedings taken under this section ; and
- (b) pass an order appointing one or more Receivers of the properties referred to in clause (a) aforesaid where in the application filed by the Bank such remedy is specifically sought.

(4) The Bank shall have the option to seek an order under clause (b) of sub-section (3) in the first instance or at any subsequent time prior to grant of the relief mentioned in clause (a) of sub-section (1).

(4A) Where the application is for the relief mentioned in clause (b) of subsection (1), the District Judge shall grant an injunction *ad interim* restraining the concern or the person liable for repayment of the loan from transferring any of the properties, including machinery, equipment and stocks, without the permission of the Bank and shall issue a notice calling upon the concern and the person liable for repayment of the loan to show cause on a date to be specified in the notice why the management of the concern should not be transferred to the Bank.

(5) Before passing any **order under subsection** (3) or subsection (4), the District Judge may, if he thinks fit, examine the person making the application.

(6) At the time of passing an order under subsection (3), the District Judge shall issue to the concern a notice accompanied by a copy of the order, the application and evidence, if any, recorded by him and calling upon it to show cause on a date to be specified in the notice why the order of attachment *ad interim* should not be made absolute or the injunction be not confirmed.

(7) If no cause is shown on or before the date specified in the notice under subsection (4) or subsection (6), the District Judge shall forthwith make the order *ad interim* absolute and direct the sale of the attached property or transfer the management of the concern to the Bank or confirm the injunction.

(8) If cause is shown the District Judge shall proceed to investigate the claim of the Bank and the provisions of the Code of Civil Procedure, 1908 (Act V of 1908), shall as far as practicable, apply to such proceedings.

(9) On completing an investigation under subsection (8) the District Judge shall pass an order-

- (a) confirming the order of attachment or directing the sale of the attached property, or
- (b) varying the order of attachment so as to release a portion of the property from attachment and directing the sale of the remainder of the attached property, or

¹ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 20, for sub-sections (2), (3) and (4), which was previously ins. by Ord. 19 of 1965, s. 9.

- (c) releasing the property from attachment, if he is satisfied that it is not necessary in the interests of the Bank to retain it under attachment, or
- (d) confirming or vacating the injunction, or
- (e) transferring or refusing to transfer the management of the concern to the Bank;

Provided that when making any order under clause (c), the District Judge may make such further orders as he thinks necessary to protect the interests of the Bank and may apportion the cost of the proceedings in such manner as he thinks fit

Provided further that unless the Bank intimates to the District Judge, that it will not appeal against any order releasing any property from attachment such order shall not be executed until the expiry of the period mentioned in subsection (11), or if an appeal is preferred, unless the High Court otherwise directs, until the appeal is disposed of.

(10) An order under this section for the attachment or sale of property shall be carried into effect as far as may be in the manner provided in the Code of Civil Procedure, 1908 (Act V of 1908), for the attachment or sale of property in execution of a decree as if the Bank were the decree-holder.

¹[(11) Any party aggrieved by an order under subsection (7) or subsection (9) may, within thirty days from the date of the order, appeal to the High Court or, where the order is of a Judge of a High Court exercising original civil jurisdiction, to the Court to which an appeal from a judgement of such judge lies and upon such appeal the appellate Court may, after hearing the parties, pass such orders as it thinks proper.]

(12) Nothing in this section shall be construed, where proceedings for liquidation in respect of the industrial concern have commenced before an application is made under subsection (1), as giving the Bank any preference over other creditors of tire concern not conferred on it by any other law for the time being in force.

²[39A. Special provisions relating to limitation.—(1) Notwithstanding anything contained in the Limitation Act, 1908 (Act IX of 1908), or any other law for the time being in force, for the purposes of computing the periods of limitation for the enforcement of any claims or for the recovery of any moneys due to the Bank in pursuance of loans granted whether by way of suits or applications for recovery of money or by way of mortgage suits or by way of enforcement of any rights in pursuance of the provisions of this Ordinance by the Bank against industrial concerns or persons liable for repayment of the loans, the periods of limitation and methods of computation thereof prescribed in Schedule IV shall apply.

(2) Section 5 of the Limitation Act, 1908 (Act IX of 1908), shall apply to an appeal or application under this Ordinance.]

40. Rights of Banks in cases of default.-(I) Where any industrial concern which is under a liability to the Bank under an agreement makes any default in payment or otherwise fails to comply with the terms of its agreement with the Bank, the Bank may, notwithstanding anything contained in section 39, take over the management of the concern, and may sell or realise any property pledged, mortgaged, hypothecated or assigned by the concern to secure its liability to the Bank.

(2) Any transfer of property made by the Bank in exercise of its powers of sale or realisation under subsection (1) shall vest in the transferee all rights in or to the property transferred as if the sale had been made by the owner of the property.

(3) The Bank shall have the same rights and powers with respect to goods manufactured or produced wholly or partly from goods forming part of any security held by it as it has with respect to the original goods.

¹ Subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1965 (19 of 1965), s. 9, for the original sub-section (11).

² Ins. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 21.

¹[(4) Where the Bank takes over the management of an industrial concern under subsection (1) it shall be deemed to be the agent of such industrial concern for purposes of suits by or against the industrial concern.

41. Recovery of Bank's dues.—Without prejudice to the provisions of sections 39 and 40, all sums due to the Bank shall be recoverable as arrears of land revenue;

Provided that no sum shall be so recovered unless fifteen days' notice has first been given by the Bank to the debtor that the sum will be so recovered ²[;]

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⁴[*Explanation 1.*—In this section "debtor" includes the industrial concern and any other person liable for the repayment of any loan or other sum due to the Bank.

Explanation 2.—For the purposes of this section, the Bank shall issue a certificate stating the sum due to the Bank from the debtor, wheher under any agreemetn or other document or otherwise howsoever, as at any given date and such certificate shall be conclusive evidence of the sum due to the Bank and be treated as final and binding according.]

⁵[**42. Delegation of powers.** The Board may, for the purposes of ensuring efficient and smooth functioning of the Bank and facilitating transaction of its daily business, and for the exercise of all or any of the rights, power s and duties specifically granted and vested under this Ordinance in the Board, delegate to the Managing Director or any other officer of the Bank, on such terms and conditions as it may think fit, such of its rights, powers and duties as it may deem necessary from time to time.

43. Offences.—(1) Whoever wilfully makes a false statement or knowingly permits any false statement to be made, or to remain, In any bill of lading, warehouse receipt or other document of title or any other document given to the Bank by way of security in respect of any financial aid sought or granted under this Ordinance, shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to two thousand rupees, or with both.

(2) Whoever, without the consent in writing of the Bank, uses the name of the Bank in any prospectus or advertisement shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(3) Whoever being a Director, a member of any Committee, adviser, auditor, officer or servant of the Bank contravenes his declaration of fidelity and secrecy shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(4) No Court shall take cognizance of any offence punishable under this Ordinance except upon a complaint in writing signed by an officer of the Bank authorised in this behalf by the Board.

¹Subs. *ibid.*, s. 22, for sub-section.

²Subs. by the industrial Development Bank of Pakistan (Amdt.) Ordinance, (4 of 1981), s. 23, for colon.

³Proviso omitted *ibid.*

⁴Subs. *ibid.*, for the explanation, which was previously added by Act, 1973 (33 of 1973), s. 11.

⁵Subs. by ords. 4 of 1981 24, for section 42.

¹[43A. The Bank and its officers to be public officer.—(1) For the purposes of section 124 of the Evidence Act, 1872 (Act I of 1872), the provisions of Part IV of the Code of Civil Procedure 1908 (Act V of 1908), and the provisions of rule 27 of Order V. and rule 52 of Order XXI of the said Code, the Bank, and any officer of the Bank acting in his capacity as such shall be deemed to be a public officer.

(2) The provisions of section 123 of the Evidence Act, 1872 (Act I of 1872), shall apply to the unpublished record relating to the affairs of the Bank and its dealings with industrial concerns and the Managing JDirector shall be deemed to be the officer or head of the department concerned.

(3) Every officer of the Bank shall be deemed to be a public servant within the meaning of section 21 of the Pakistan Penal Code.

44. Liquidation of Bank.No provision of law relating to the winding up of companies or banks shall apply to the Bank and the Bank shall not be wound up save by order of the ²[Federal Government] and in such manner as it may direct.

45. Power of ²[Federal Government] to make rules.—The ²[Federal Government] may make rules for carrying out the purposes of this Ordinance.

46. Power of the Board to make regulations.—(1) The Board may, with the previous sanction of the ²[Federal Government], make regulations ³to provide for all matters not required to be provided for by rules and for which provision is necessary or expedient for carrying out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for—

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(b) the manner in which and the conditions subject to which the first allotment of the shares of the Bank shall be made ;

⁵[(c) the maintenance of the share registers, the manner in which and the conditions subject to which shares may be held and transferred, suspension and the manner of suspension of transfer of shares and, generally, all matters relating to the rights and duties of share-holders ;

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(e) the manner in which the general meetings shall be convened and the procedure to be followed thereat ;

(f) the calling of the meetings of the Board and of the Executive Committee, fees for attending the meetings thereof and the conduct of business thereat ;

(g) the manner and terms of issue and redemption of bonds and debentures by the Bank ;

(h) the conditions 'subject to which the Bank may grant loans ;

(i) the manner of determining the sufficiency of the security for the purpose of business provided for in clauses (1), (2) and (3) of section 27 ;

(j) the manner and conditions subject to which the Bank may borrow in foreign currency ;

(k) the form of returns and statements required to be prepared under this Ordinance ;

¹ S. 43A Ins. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance 1981, (4 of 1981), s. 25.

² Subs. by the industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Government".

³ For the industrial Development Bank of Pakistan (Staff) Service Regulations 1961, see Gaz. of P., 1962, Pt. I, ppl 177—199.

For the Industrial Development Bank of Pakistan General Regulations 1962, see Gaz. of P., 1963, ptI, pp. 26—37.

⁴ Cl (a) omitted by the Ordinance, 1981 (4 of 1981) s. 26.

⁵ Subs. by the industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), for cl. (c).

⁶ Cl. (d) omitted ibid.

- (l) the duties and conduct of officers and servants and agents of the Bank ; the recruitment of officers and staff of the Bank ; the terms and conditions of their service, the constitution and management of provident or other funds for the officers and staff of the Bank and all matters connected with any of these things ;
- (m) the disclosure of interest, direct or indirect of any Director or any member of a Committee in any industrial concern;
- (n) taking over the management of, and managing, an industrial concern committing a breach of its agreement with the Bank ;
- (o) the appointment of Committees for technical and other advice for the purposes of this Ordinance ; and
- (p) generally for the efficient conduct of the affairs of the Bank.

(3) All regulations made under this section shall come into force on the date specified in each case, and shall be published in the official Gazette.

(4) Where any provision of a regulation is inconsistent with any provision of a rule, the provision of the rule shall prevail.

47. Repeal, etc.-¹[(1) On the coming into force of this Ordinance, the Pakistan industrial Finance Corporation Act, 1949 (I of 1949), hereinafter referred to as the said Act, shall stand repealed.]

(2) Upon the repeal of the said Act-

- (a) notwithstanding anything contained in this Ordinance, the Board of Directors of the Corporation functioning immediately before such repeal shall, until the ²[Federal Government], by notification In the Official Gazette, otherwise directs, discharge the functions of, and be deemed to be, the Board constituted under this Ordinance ;
- (b) the entire undertakings of the Corporation Including all assets, rights, powers, authorities and privileges, and all property, movable and immovable, cash and Bank balances, reserve funds, investments and all other interest and rights in, or arising out of, such property, and all debts, liabilities and obligations of whatever kind of the Corporation subsisting immediately before the repeal of the said Act shall stand transferred and vest in the Bank ;
- (c) subscription for the shares of the Corporation shall stand transferred to the Bank and be deemed to be subscriptions for shares of the Bank ;
- (d) subject as hereinafter provided, every appointment, order, rule and regulation made or issued under the said Act and in force Immediately before the repeal thereof shall, so far as it is not inconsistent with the provisions of this Ordinance, be deemed to have been made or issued under this Ordinance as if this Ordinance were in force at the time at which such appointment, order, rule or regulation was made or issued ;

¹ Subs. and shall be deemed always to have been so subs. by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1965 (19 of 1965), s. 10, for the original sub-section (1).

² Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1997 (33 of 1973), s. 12, for "Central Government".

- (e) notwithstanding anything contained in any contract or agreement or in the conditions of service, the officers and other employees of the Corporation shall stand transferred to the Bank and the Bank shall appoint such officers and employees to the posts in the Bank corresponding, as nearly as may be, to those they held in the Corporation or to such other posts as will not adversely affect such officers and employees in the matters of pay and other emoluments, privileges and advantages ;
- (f) all debts and obligations incurred or contracts entered into or rights acquired and all matters and things engaged to be done by, with or for, the Corporation before the repeal of the said Act, shall be deemed to have been incurred, entered into, acquired or engaged to be done by, with or for, the Bank ;
- (g) all suits and other legal proceedings instituted by or against the Corporation before the repeal of the said Act shall be deemed to be suits and proceedings by or against the Bank and shall be proceeded or otherwise dealt with accordingly ;
- (h) any reference to the Corporation in any law, other than the said Act and this Ordinance, or in any order, rule or notification or in any contract or other instrument shall, except as otherwise provided in any general or special order made by the Federal Government or a Provincial Government, be construed as a reference to the Bank ;
- (i) no officer or other employee of the Corporation whose services are by this Ordinance transferred to the Bank shall, notwithstanding anything contained in any law for the time being in force, be entitled to any compensation because of such transfer.

(3) The ¹[Federal Government] may, for the purpose of removing any difficulty in relation to the transfer and other matters specified in subsection (2), make such order as it considers expedient and any such order shall be deemed to be, and given effect to, as part of the provisions of this Ordinance.

¹Subs. by the Industrial Development Bank of Pakistan (Amdt.) Act, 1973 (33 of 1973), s. 12, for "Central Government".

SCHEDULE I

[See section 2 (f)]

Agricultural Processing:

Cotton ginning/processing/ ¹[bailing].

Jute ¹[bailing]/processing

Tea Manufacturing.

Chemical:

Sulphuric acid and its derivatives.

Soda ash. Caustic soda. Fertilizers.

Pharmaceutical and fine chemicals.

Anti-biotics.

(Penicillin, Streptomycine, etc., etc.).

Dyes and pigments.

Paints and varnishes.

Matches.

Soap.

Rayon and Cellophane.

Turpentine and rosin.

D.D.T. Industrial gases.

²[Polythelene.]

Acetate.

Insecticides, pesticides.

Miscellaneous Chemicals.

Coal carbonization.

¹ *Sic. Should read "baling".*

² *Added by Notifn. No. S.R.O. 770(K) /62, dated 9th July 1962, see Gaz. of P., 1962, Pt. I, p. 399.*

Carbon Black.

Other Petrochemicals including bleaching plants (acetylene, acrylonitrile, polyvinyl chloride, synthetic resins, etc.).

Tallow. Essential Oils.]

Electrical:

Motors, switch-gear and fans.

Cables, batteries and appliances.

Radios and rediffusion.

Transformers.

¹[Electric-lighting, electric bulb, tube, etc]

Engineering:

Iron and steel.

Steel melting.

Steel re-rolling.

Shipyards.

Medium and light engineering.

Non-ferrous products.

Enamelware.

Automobiles.

Ships and boats, trawlers, barges, launches.

¹[Ferro-chrome.

Stationery and Marine, Diesel Engines.]

Food Products:

Edible vegetable oils.

Vegetable ghee.

¹Added by Notifn. No. S.R.O. 770(K) /62, dated 9th July 1962, see Gaz. of P., 1962, Pt. I, p. 399.

Food processing.

Sugar.

Cigarettes.

Animal Feed.

Cold storage and freezing.

Ice, fish, fish meal, fish oil, prawn, etc.

Canning, preserving.

Alcoholic and non-alcoholic drinks.

Dairy.

¹**[Heavy Engineering:**

Manufacture and Assembly of Tractors and Spare Parts. Manufacture and Assembly of mechanically propelled vehicle: and spare parts.]

Leather and Products:

Leather curing, tanning:

Leather shoe.

Leather goods.

Liquid Fuels:

Petroleum refining.

Power alcohol:

Milling:

Wheat.

Rice.

Other grains.

¹**[Mineral and Power:**

Training and Technical Service.

Special investigations of selected minerals.]

¹ Added by Notifn. No. S.R.O. 770(K) /62, dated 9th July 1962, see Gaz. of P., 1962, Pt. I, p. 399.

Mining:

All sorts.

¹[Miscellaneous:

Fire fighting hose-pipes.

Cotton delinting.

Coconut and coir products.

Industries not Specifically provided for in industrial Investment Schedule (item No. 99).]

Natural Gas and Motive Power:

Generation.

Transmission.

Distribution.

Non-Metallic Mineral Products:

Structural clay products.

Glass.

Hollow-ware.

Sheet glass.

Scientific glass.

Cement.

Cement products.

Ceramic and refractories.

Clay products.

¹[Non-Metallic Products:

Other building materials.]

Paper and Stationery:

Printing, writing and wrapping paper.

Newsprint.

Card and Strawboard.

¹ Added by Notifi. No. S.R.O. 770(K) /62, dated 9th July 1962, see Gaz. of P., 1962, Pt. I, p. 399.

Hardboard.

Pencils.

Pens.

Nibs.

Rubber Products:

Cycle tyres and tubes.

Motor-car tyres and tubes.

Rubber-sole canvas shoes.

Other rubber products.

¹***[Textiles:***

Sericulture, reeling and filature.

Wool scouring and baling.]

Textile and Clothing:

Cotton.

Woollen:

Jute.

Silk and art silk.

Hosiery and knitted goods.

Apparel.

Transport:

Road transport.

Water transport.

Sea transport.

Fishing.

Wood Products:

Saw milling.

Woodware.

¹ Added by Notifn. No. S.R.O. 770(K) /62, dated 9th July 1962, see Gaz. of P., 1962, Pt. I, p. 399.

Plywood and tea chests.

Other Industries:

Printing and publishing.

Films (Production I Exhibition).

Industrial Trading Estates.

Hotels.

Newspapers.

Sports goods.

Surgical goods.

Salt.

Industrial or agricultural waste.

Testing Research.

¹[Mechanized Laundries.]

²[Construction Industry]

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¹ Added by Notifn. No. S.R.O. 770(K) /62, dated 9th July 1962, see Gaz. of P., 1962, Pt. I, p. 399.

² Added by S.R.O. No. 1035 (I)/75, dated the 1st October, 1975, see Gaz. of P., 1975, Ext., Pt. II, p. 1672.

³ Schedule II omitted by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 27, which were previously amended by various enactments.

SCHEDULE III

(See section 25)

DECLARATION OF FIDELITY AND SECRECY

I,.....hereby declare that I will faithfully, truly and to the best of my judgement, skill and ability, execute and perform the duties required of me as a Director, member of a Committee, officer, employee, consultant, adviser, agent or auditor (as the case may be) of the Industrial Development Bank of Pakistan and which properly relate to any office or position in the said Bank held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Bank nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Bank and relating to the business of the Bank.

Signature.....

Signed before me

Signature.....

Designation.....

Dated.....

[SCHEDULE IV

(LIMITATION PERIODS AND COMPUTATION THERE OF AS PER SECTION 39A).

Sr. No.	Description of action/cause	Period of limitation	Time from which period begins to run.
1	2	3	4
1.	For money payable for money lent.....	6 years	When the loan is made.
2.	Under Order XXXVII of the Code of Civil Procedure, 1908 (Act V of 1908).	6 years	When the debt becomes payable.
3.	On a promissory note or bond payable by instalments which provides that, if default be made in payment of one or more instalments, the whole shall be due.	6 years	When the default is made, unless where the payee or obligee waives the benefit of the provision, and thereafter when fresh default is made in respect of which there is no such waiver.
4.	On a bill of exchange payable at sight, or after sight, but not at a fixed time.	6 years	When the bill is presented.
5.	on a bill of exchange or promissory note payable at a fixed time after sight or after demand.	6 years	When the fixed time expires.
6.	Suit on a bill of exchange, promissory note or bond not herein expressly provided for.	6 years	When the bill, note or bond becomes payable.
7.	for compensation for breach of a promise to do anything at a specified time, or upon the happening of a specified contingency.	6 years	When the time specified arrives or the contingency happens.
8.	Upon any contract to indemnify.	6 years	When the Bank is actually to be indemnified.
9.	For compensation for the breach of a contract in writing registered.	9 years	When the period of limitation for a suit brought on a similar contract not registered would begin to run.
10.	To enforce payment of money charged upon immovable property.	15 years	When the money becomes due.
<i>Explanation.</i> —For the purposes hereof advances secured hereof advances secured by mortgage by deposit of title deed shall be deemed to be money charged upon immovable property.			
11	Action or cause for which no period of limitation is here in provided.	9 years	When the right to sue or of recovery accrues.".]

¹ Added by the Industrial Development Bank of Pakistan (Amdt.) Ordinance, 1981 (4 of 1981), s. 28.

