

## **Punjab Industrial Development Board Act, 1973**

**23 of 1973**

**[15 December 1973]**

### CONTENTS

#### **CHAPTER 1 :- PRELIMINARY**

1. Short Title, Extent And Commencement
2. Definitions

#### **CHAPTER 2 :- CONSTITUTION OF THE BOARD**

3. Constitution Of The Board
4. Management
5. Board Of Directors
6. Managing Director
7. Disqualification Of Managing Director And Directors
8. Removal Of Managing Director And Directors
9. Resignation By Or Removal Of Managing Director Or Directors
10. Appointment Of Officers, Etc
11. Declaration Of Fidelity And Secrecy
12. Financial And Technical Advisory Committees
13. Immunity Of The Board And Its Employees
14. Delegation Of Powers
15. Meetings Of The Board
16. Power Of Board To Associate Other Persons

#### **CHAPTER 3 :- POWERS, DUTIES AND FUNCTIONS OF THE BOARD**

17. Powers, Duties And Functions Of The Board
18. Loans
19. Functions Of The Board
20. Board Fund
21. Board To Be Deemed A Local Authority
22. Custody And Investment Of Industrial Development Fund
23. Maintenance Of Accounts
24. Audit Of Accounts
25. Reports To Be Furnished To Government

#### **CHAPTER 4 :- MISCELLANEOUS**

26. Winding Up
27. Power To Make Rules
28. Power To Make Regulations

## 29. Repeal

### **Punjab Industrial Development Board Act, 1973**

**23 of 1973**

**[15 December 1973]**

An Act to provide for the establishment of an Industrial Development Board in the Punjab Preamble.- WHEREAS it is expedient to make provisions for the establishment of an Industrial Development Board in the Punjab to establish, manage, control and run industries in the public sector; It is hereby enacted as follows:-

#### CHAPTER 1

#### PRELIMINARY

### **1. Short Title, Extent And Commencement :-**

- (1) This Act may be called the Punjab Industrial Development Board Act, 1973.
- (2) It extends to the whole of the Province of the Punjab and shall come into force at once.
- (3) It shall apply to the industries mentioned in the Schedule.
- (4) Government may, at any time, by notification in the official Gazette, add to or delete from the industries mentioned in the Schedule and such notifications shall be laid before the Provincial Assembly.

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

In this Act, unless there is anything repugnant in the subject or context,-

- (a) "Board" means the Punjab Industrial Development Board;
- (b) "Board of Directors" means the Board of Directors of the Board;
- (c) "Chairman" means the Chairman of the Board;
- (d) "company" means a company as defined in the Companies Act, 1913[2], and promoted and established by the Board for managing and running one or more of the industries;
- (e) "Director" means Director of the Board;
- (f) "Government" means Government of the Punjab;
- (g) "industries" means the industries mentioned in the Schedule;
- (h) "Managing Director" means the Managing Director of the [3] [Board];
- (i) "prescribed" means prescribed by rules;
- (j) "regulations" means regulations made under this Act;

- (k) "rules" means rules made under this Act;
- (l) "Schedule" means Schedule to this Act;
- (m) "Scheduled Bank" means a bank for the time being included in the list of banks maintained under sub-section (1) of section 37 of the State Bank of Pakistan Act, 1956; and
- (n) "specified" means specified by regulations.

## CHAPTER 2

### CONSTITUTION OF THE BOARD

#### **3. Constitution Of The Board :-**

- (1) As soon as may be after the commencement of this Act, there shall be established a Board to be known as the Punjab Industrial Development Board.
- (2) The Board shall be a body corporate and shall have the power to acquire and hold property, both movable and immovable, subject to the provisions of this Act and shall have perpetual succession and a common seal and shall by the said name sue and be sued.
- (3) The Head Office of the Board shall be at Lahore.

#### **4. Management :-**

- (1) The administration and management of the Board and its affairs shall vest in a Board of Directors which may exercise all powers and do all such acts and things as may be exercised or done by the Board in accordance with the provisions of this Act.
- (2) The Board shall, in discharging its functions, act on commercial and national considerations and shall be guided by such directions as Government may give to it from time to time.
- (3) Government may suspend the execution of any such resolution or order of the Board as in the opinion of Government contravenes the provisions of this Act, the rules, the regulations framed under this Act, or, the directions mentioned in sub-section (2), or prohibit the doing of any act which is to be done or is being done in pursuance of the said resolution or order, or, if the act has been accomplished, order its rectification in such manner as may be directed.

#### **5. Board Of Directors :-**

- (1) Subject to the provisions of sub-section (2), the Board shall consist of a Chairman [4][, a Vice Chairman] and the following

Directors:-

- (i) Secretary to Government of the Punjab, Finance Department, or his nominee not below the rank of a Deputy Secretary;
  - (ii) Secretary to the Government of the Punjab, Industries Department, or his nominee not below the rank of a Deputy Secretary;
  - (iii) [5][the Managing Director of the Board]; and
  - (iv) the Chairman, Planning and Development Board, Government of the Punjab;
- (2) The Chairman [6][and the Vice Chairman] shall be appointed by Government.
- (3) Government may, by notification in the official Gazette, alter the membership of the Board or increase or decrease the number of Directors.

## **6. Managing Director :-**

- (1) The Managing Director shall be appointed by Government.
- (2) The Managing Director shall be the chief executive of the [7] [Board] under his control and shall-
- (a) be a whole-time officer of the Board;
  - (b) perform such duties as may be specified or as may be assigned to him;
  - (c) hold office as Managing Director for a term of three years [8][or for such lesser term as is specified in the order of his appointment] and shall remain in office as Managing Director thereafter for three months or until a successor in that office is appointed, whichever is earlier;
  - (d) receive such salary and allowances as Government may determine;
  - (e) divest himself of any directorship of, or other interest held by him in, any other corporation, company or concern; and
  - (f) not become a Director of, or acquire any share or other interest in, any other corporation, company or concern during his term of office:

Provided that nothing in this clause shall prevent the Managing Director from holding shares in any public company acquired by him before his appointment as such but he shall declare such shares to Government at the time of his appointment:

Provided further that Government may, in exceptional circumstances, where it considers necessary to do so in the public interest, exempt by a special order any person who has been

appointed or is about to be appointed as Managing Director from the application of this clause.

(3) Nothing in this section shall preclude Government from extending the term of office of any Managing Director for such period as Government may determine.

## **7. Disqualification Of Managing Director And Directors :-**

No person shall be appointed as Managing Director or Director, or, as the case may be, shall continue to be a Managing Director or Director who-

- (a) is, or at any time has been, convicted of any offence involving moral turpitude;
- (b) is, or at any time has been, disqualified for appointment in or dismissed from Government service;
- (c) is, or at any time has been, adjudged insolvent;
- (d) is found a lunatic or becomes of unsound mind;
- (e) is not a citizen of Pakistan; or
- (f) is less than twenty-five years of age.

## **8. Removal Of Managing Director And Directors :-**

Government may, by order in writing, remove the Managing Director or a Director, as the case may be, after giving him an opportunity of being heard if he-

- (a) refuses or fails to discharge or becomes, in the opinion of Government, incapable of discharging his responsibilities under this Act;
- (b) has, in the opinion of Government abused his position as Managing Director or Director; or
- (c) has knowingly acquired or continued to hold, without the permission in writing of Government, directly or indirectly, or through a partner, any share or interest in any contract or employment with, or on behalf of the Board, or in any property, which, in his knowledge, is likely to benefit or has benefitted him as a result of the operations of the Board.

## **9. Resignation By Or Removal Of Managing Director Or Directors :-**

Notwithstanding anything contained in this Act, the Managing Director or a Director may, at any time before the expiry of his term and upon three months notice, resign his office, or upon

similar notice, be removed from office by Government without assigning any reason:

Provided that Government may, in case of the Managing Director or a Director, upon payment of three months salary and allowances in lieu of the notice, remove him immediately without assigning any reason.

#### **10. Appointment Of Officers, Etc :-**

The Board may appoint such officers, advisers, experts, consultants, and employees, as it considers necessary for the efficient performance of its functions on such terms and conditions as it may deem fit, subject to such general or special directions as Government may give to it from time to time in this behalf.

#### **11. Declaration Of Fidelity And Secrecy :-**

(1) Every Director, Adviser, Officer, Expert, Consultant, and employee of the Board shall, before entering upon his office, make such declaration of fidelity and secrecy as may be specified.

(2) Any Director, Adviser, Officer, Expert, Consultant or other employee of the Board who, in the opinion of the Government, has violated the declaration of fidelity and secrecy made by him under sub-section (1) shall be liable, after being given a reasonable opportunity of showing cause against the action proposed to be taken with respect to him, be forthwith removed from his office or post.

#### **12. Financial And Technical Advisory Committees :-**

The Board may constitute such financial, technical and advisory committees as may be deemed necessary for carrying out the purposes of this Act.

#### **13. Immunity Of The Board And Its Employees :-**

(1) Every Director, Adviser, Officer, Expert, Consultant and employee of the Board shall be indemnified by the Board against all losses and expenses sustained or incurred by him in the discharge of the duties of his office, save such losses and expenses as are sustained and incurred as a result of his own wilful act or default.

(2) The Managing Director shall not be personally responsible for the acts of any other Director, Adviser, Officer, Expert, Consultant or employee of the Board which he could not have reasonably

prevented by the due exercise of his powers and functions under this Act and the rules and regulations made thereunder or for any loss or expense resulting to the Board by reason of the insufficiency or deficiency in value of or title to any property or security acquired or taken on behalf of the Board, by wrongful act of any person under a liability to the Board, or anything done by him in good faith in execution of the duties of his office.

#### **14. Delegation Of Powers :-**

The Board may, by general or special order, delegate to the Chairman [9][,the Vice Chairman], Managing Director, Directors, Advisers, Officers, Experts, Consultants or employees of the Board any of its powers, duties or functions under this Act and the rules and regulations made thereunder subject to such conditions as it may deem fit to impose.

#### **15. Meetings Of The Board :-**

(1) The meetings of the Board shall be held at such time and place as may be specified:

Provided that sixty days shall not intervene between the two meetings:

Provided further that until regulations are made in this behalf, such meetings shall be held at such time and place as may be determined by the Chairman.

(2) The quorum required for transacting business at a meeting of the Board shall be three.

[10][(3) Each Director including the Chairman and the Vice Chairman shall have one vote but in the event of equality of votes the Chairman or if the Vice Chairman is presiding over the meeting in the absence of the Chairman, the Vice Chairman shall have a casting vote.

(4) The meetings of the Board of Directors shall be presided over by the Chairman and in his absence by the Vice Chairman and in the absence of both by a Director elected for the purpose by the Directors present from amongst themselves.]

(5) No act or proceedings of the Board of Directors shall be invalid merely on the ground of existence of any vacancy in the Board.

(6) The minutes of every meeting, stating among other things, the names of the Directors present, shall be drawn up and recorded in a book to be kept for the purpose and shall be signed by the person presiding over the meeting and such book shall, at all

reasonable times and without payment of any fee, be open to inspection by the Directors.

(7) Government may require a Managing Director to furnish to it-  
(a) any return, statement, estimate, statistics or other information regarding any matter under the control of the Board;

(b) a report on any such matter ; or

(c) a copy of any document in his charge,

and the Managing Director shall comply with any such requisition without any undue delay.

(8) A Managing Director shall prepare and submit a quarterly report to the Board.

### **16. Power Of Board To Associate Other Persons :-**

(1) The Board of Directors may associate with itself, in such manner, on such terms and for such period as it may deem fit, any person whose assistance or advice it may desire in carrying out any of the provisions of this Act.

(2) A person associated under sub-section (1) for any purpose shall have right to take part in the discussion relating to such purpose in the meetings of the Board but shall not have right to vote, and shall not be deemed to be a Director for that or any other purpose.

### **CHAPTER 3**

### **POWERS, DUTIES AND FUNCTIONS OF THE BOARD**

### **17. Powers, Duties And Functions Of The Board :-**

(1) In accordance with the provisions of this Act, and subject to such general or special order as Government may give from time to time, the Board shall take measures to prepare schemes to establish, manage and run the industries on commercial and national considerations.

(2) In particular the Board may, in order to carry out the purposes of this Act-

(a) form and establish companies to manage and run the industries as are established in the manner aforesaid;

(b) manage on behalf of Government the shares purchased by Government in the issued capital of companies established by the Board;

(c) subscribe to the capital of these companies to such extent as may be necessary;

(d) act as Managing Agents of the companies established by the Board;



- (e) give short and medium term loans or furnish guarantees to the scheduled banks for loans to the companies established by the Board in the manner aforesaid; and
  - (f) establish, manage and run industries under its direct control.
- [11][(3) The Board may, with the approval of Government and in such manner as Government may direct, sell or transfer its shares in or otherwise dispose off the assets of, the companies and projects established by it.

### **18. Loans :-**

The Board may negotiate and obtain for its industries established under section 17 of this Act loans in local and foreign currency from the local or international financial institutions:

Provided that in the case of loans from international financial institutions the Board shall act with the prior approval of Government.

### **19. Functions Of The Board :-**

The Board shall also be responsible for-

- (a) preparing plans in respect of industries to be established in the public sector;
- (b) undertaking or causing to be undertaken studies to determine economic and technical feasibility of the industries to be established by the Board;
- (c) presenting to Government schemes for establishment of industries for obtaining its approval;
- (d) implementing and executing the schemes approved by Government;
- (e) taking over, managing and running such industries as Government may from time to time decide to hand over to the Board;
- (f) participating in national and international fairs and exhibitions; and
- (g) undertaking such other functions as are necessary for the successful execution and management of the industries.

### **20. Board Fund :-**

- (1) There shall be a fund to be known as the Punjab Industrial Development Board Fund which shall vest in the Board, and which shall be utilised by the Board to meet charges in connection with its functions under this Act including salaries and other remunerations

of the Chairman [12][,Vice Chairman], Managing Director, Directors, Advisers, Experts, Consultants, Officers and other employees of the Board.

(2) The Punjab Industrial Development Board Fund shall consist of-

(a) investment made by Government;

(b) grants made by Government;

(c) loans obtained from Government;

(d) charges for the management of industries under the direct control of the Board;

(e) Managing Agency commission in respect of companies managed by the Board;

(f) loans obtained from the scheduled banks;

(g) foreign loans obtained by the Board; and

(h) all other sums received by the Board.

### **21. Board To Be Deemed A Local Authority :-**

The Board shall be deemed to be a local authority under the Local Authorities Loans Act, 1914 for the purposes of borrowing money under the said Act and the making and execution of any scheme under this Act shall be deemed to be a work which such authority is legally authorised to carry out.

### **22. Custody And Investment Of Industrial Development Fund :-**

(1) All moneys at the credit of the Board shall be kept in such manner as may be prescribed.

(2) Nothing in sub-section (1) shall be deemed to preclude the Board from investing any such moneys which are not required for immediate expenditure in any of the securities described in section 20 of the Trusts Act, 1889, in fixed deposits with a bank approved by Government or in such other manner as Government may direct.

### **23. Maintenance Of Accounts :-**

The Board shall maintain complete and accurate accounts in such manner as may be prescribed.

### **24. Audit Of Accounts :-**

The accounts of the Board shall be audited in such manner as may be directed by Government.

## **25. Reports To Be Furnished To Government :-**

(1) The Board shall furnish to Government, as soon as possible, after the close of each financial year an audited statement in the prescribed form in respect of the assets and liabilities of its industries and in respect of its transactions as they stand at the close of that year, together with a profit and loss account for that year and a full report on the working of the Board during the year and copies of the said statements, accounts and report shall be published in the official Gazette.

(2) The Board shall submit to Government its proposals for the ensuing financial year at such time and in such manner as may be prescribed.

### CHAPTER 4

#### MISCELLANEOUS

## **26. Winding Up :-**

(1) No provision of law relating to winding up of companies shall apply to the Board.

(2) When, in the opinion of Government, it is expedient that the Board shall cease to exist, Government may, by notification in the official Gazette, declare that the Board shall be dissolved from such date as may be specified in this behalf in such notification and the Board shall be deemed to be dissolved accordingly, from such date-

(a) all properties, funds and dues which are vested in or realisable by the Board and the Chairman, respectively shall vest in and be realisable by an Administrator or any other officer appointed by Government in this behalf;

(b) all liabilities which are enforceable against the Board shall be enforceable only against the Administrator or any other officer appointed by Government in this behalf;

(c) for the purposes of completing the execution of any scheme, sanctioned under this Act, which has not been fully executed by the Board and of realising properties, funds and dues referred to in clause (a) the functions of the Board and the Chairman under this Act shall be discharged by the Administrator or any other officer appointed by Government in this behalf;

(d) the Administrator or any other officer appointed by Government shall keep separate accounts of all moneys respectively received and expended by him under this Act, until all loans raised hereunder have been repaid and until all liabilities referred to in

clause (b) have been duly met; and

(e) the Administrator or any other officer appointed by Government in this behalf shall have power to dispose of the properties, assets, rights, etc., of the Board in such manner as Government may direct from time to time.

(3) Any properties and assets left over after all the liabilities of the Board have been discharged shall vest in Government and all liabilities left undischarged after all the properties and assets of the Board have been disposed of, shall become the liabilities of Government.

(4) The Administrator or any other officer appointed by Government in this behalf may delegate any of his powers under this section to any officer of Government or to any officer of the Board to such extent and on such terms and conditions as may be approved by Government.

## **27. Power To Make Rules :-**

(1) Government may make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing provisions, such rules may provide for-

(a) the manner and form of keeping the accounts of the Board;

(b) recruitment of officers, advisers, consultants, experts and other employees of the Board;

(c) terms and conditions of service of the officers, advisers, consultants, experts and other employees of the Board;

(d) functions of the Advisers;

(e) borrowing by the Board;

(f) the date on which and the form in which the annual budget statement of the Board shall be submitted each year;

(g) procedure for appropriation and re-appropriation of moneys at the credit of the Board;

(h) manner and form in which and the authorities to whom returns, reports or statements shall be submitted;

(i) investment of Board funds and surplus moneys;

(j) sale or transfer of industries and other immovable property of the Board ; and

(k) such other matters relating to the administration and other affairs of the Board as the Government may think fit to prescribe by rules.

## **28. Power To Make Regulations :-**

The Board may, with the previous approval of Government make regulations for all matters not provided for in the rules for which provision is necessary or expedient for carrying out the purposes of this Act and the rules.

**29. Repeal :-**

The Punjab Industrial Development Board Ordinance, 1973 (Punjab Ordinance No. XI of 1973), is hereby repealed.