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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY OF PAKISTAN

Islamabad, the 13th February, 1973

The following Act of the National Assembly received the assent of the President on the 11th February, 1973, and is hereby published for general information :—

ACT No. XXXIII OF 1973

An Act further to amend the Industrial Development Bank of Pakistan Ordinance, 1973

WHEREAS it is expedient further to amend the Industrial Development Bank of Pakistan Ordinance, 1961 (*XXXI of 1961*), for the purposes hereinafter appearing :

It is hereby enacted as follows :—

1. **Short title and commencement.**—(1) This Act may be called the Industrial Development Bank of Pakistan (Amendment) Act, 1973.

(2) It shall come into force at once.

2. **Amendment of section 3, Ordinance XXXI of 1961.**—In the Industrial Development Bank of Pakistan Ordinance, 1961 (*XXXI of 1961*), hereinafter referred to as the said Ordinance, in section 3, for sub-section (3) the following shall be substituted, namely :—

“(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.”.

(127)

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3. Amendment of section 13, Ordinance XXXI of 1961.—In the said Ordinance, in section 13,—

- (a) in sub-section (1), in clause (c), for the semi-colon and word “; and” a colon shall be substituted and thereafter the following proviso shall be added, namely :—

“Provided that, out of the two persons to be elected from the group of shareholders registered in the register maintained at Karachi, one shall be from the Province of Sind and the other from the Province of Baluchistan, and, out of the two persons to be elected from the group of shareholders registered in the register maintained at Lahore, one shall be from the Province of the Punjab and the other from the North West Frontier Province; and”;

- (b) for sub-section (3) the following shall be substituted, namely :—

“(3) A Director elected under clause (c) of sub-section (1) shall hold office for a term of three years and shall be eligible for re-election :

Provided that such Director shall not hold office for more than six consecutive years and for computing the period of six years any break of less than three years in the continuity of office shall be disregarded :

Provided further that such Director may be removed before the expiration of his term by special resolution of the group of shareholders from amongst whom he was elected passed by the votes of so many of the shareholders as hold in the aggregate more than one-half of the shares subscribed by that group.”; and

- (c) after sub-section (3) amended as aforesaid, the following new sub-section shall be inserted, namely :—

“(3A) A Director vacating office in pursuance of sub-section (3) shall not be eligible for re-election as a Director of the Bank unless a period of three years has elapsed since the date on which he so vacated his office.”.

4. Amendment of section 14, Ordinance XXXI of 1961.—In the said Ordinance, in section 14, for sub-section (2) the following shall be substituted, namely :—

- “(2) Unless the Federal Government otherwise directs, the Chairman shall hold office for a term of three years.”.

5. Amendment of section 17, Ordinance XXXI of 1961.—In the said Ordinance, in section 17, in sub-section (1),—

- (a) in clause (f) after the words, “Provincial Government”, the words and comma “by virtue of his office,” shall be inserted;
- (b) in clause (h), the word “or” at the end shall be omitted;
- (c) in clause (i), for the full stop at the end the semi-colon and word “; or” shall be substituted; and

(d) after clause (i) amended as aforesaid, the following new clause shall be added, namely :—

“(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.”.

6. Omission of section 19, Ordinance XXXI of 1961.—In the said Ordinance, section 19 shall be omitted.

7. Amendment of section 20, Ordinance XXXI of 1961.—In the said Ordinance, in section 20, for sub-section (1) the following shall be substituted, namely :—

“(1) The Board may constitute a Local Board for each Province.”.

8. Amendment of section 22, Ordinance XXXI of 1961.—In the said Ordinance, in section 22,—

(a) for the proviso to sub-section (4) the following shall be substituted, namely :—

“Provided that no Director or member shall—

(i) vote on any matter relating to an industrial concern in which he is interested; or

(ii) vote on any scheme initiated by a company in which he is a director or holds any share.”; and

(b) after sub-section (4) amended as aforesaid, the following new sub-section shall be added, namely :—

“(4A) No loan or an advance shall be sanctioned by the Board without the approval of Government for a project or undertaking 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 (LVII of 1962).”.

9. Amendment of section 28, Ordinance XXXI of 1961.—In the said Ordinance, in section 28, in sub-section (3),—

(a) in clause (a),—

(i) in sub-clause (i), for the words “ten lakhs” the words “fifteen lakhs” and for the words “twenty-five lakhs” the words “forty lakhs” shall be substituted;

- (ii) in sub-clause (ii), for the words "five lakhs" the words "ten lakhs" and for the words "fifteen lakhs" the words "thirty lakhs" shall be substituted;
- (b) in clause (b), for the semi-colon and word "; and" at the end a colon shall be substituted; and
- (c) clause (c) shall be omitted.

10. **Amendment of section 31, Ordinance XXXI of 1961.**—In the said Ordinance, in section 31, in sub-section (1), for the word "five times" the words "ten times" shall be substituted.

11. **Amendment of section 41, Ordinance XXXI of 1961.**—In the said Ordinance, in section 41, the following Explanation shall be added at the end, namely :—

Explanation.—In this section, "debtor" includes any person liable for payment of any loan or other sum due to the Bank."

12. **General.**—In the said Ordinance, for the words "Central Government", wherever occurring the words "Federal Government" shall be substituted.

ASLAM ABDULLAH KHAN,
Secretary.