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HEAVY INDUSTRIES '[TAXILA] BOARD ACT, 1997

ACT No. XII OF 1997

An Act to establish a Heavy Industries '[Taxila, Board]

WHEREAS it is expedient to establish a Heavy Industries '[Taxila], Board and to provide for matters connected therewith or incidental thereto;

It is hereby enacted as follows:—

1. Short title and commencement.— (1) This Act may be called the Heavy Industries "Taxila] Board Act, 1997.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

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

(a) "Board" means the Heavy Industries '[Taxila] Board established under

section 3;

(b) "Chairman" means the Chairman of the Board;

(c) "factories" means Heavy Re-build Factories and Manufacturing Factories established and functioning under the control of Heavy Industries '[Taxila] Board;

(d) "Heavy Industries" means the Heavy Industries, Taxila, and includes Heavy Re-build Factories, Manufacturing Factories and other allied facilities owned by the Federal Government; and

(e) "member" means a member of the Board.

3. Establishment of the Board.—(1) As soon as may be, after commencement of this Act, the Federal Government shall, by notification in the Official Gazette, establish for carrying out the purposes of this Act, a Heavy Industries '[Taxila] Board consisting of a Chairman and ![five] members to be appointed by it.

(2) The Chairman shall be appointed by the Federal Government on recommendation of the Chief of Army Staff.

(3) Out of the '[five] members to be appointed by the Federal Government, one shall be appointed as member finance in consultation with the Ministry of Finance, the second to be as the member Ministerial Co-ordination, '[third member shall be appointed from the corporate sector, to be called the Member (Private), on the recommendation of the Secretary, Defense Production Division] and the remaining two to be the technical members as members production Control and Project Planning to be appointed from within the existing strength of the Board.

'Ins. and subs. by Ordinance XLVII of 2000, by ss.2-5.

4. Terms of office of the members.—(1) The Chairman and members shall hold office for a term of four years and shall be eligible for re-appointment and shall receive such salary and allowances as the Federal Government may, from time to time, determine[:]

'TProvided that the Member (Private) shall hold office in honorary capacity.]

(2) Every member, except member Ministerial Co-ordination,' [and Member (Private)] shall be a whole time officer of the Board and shall perform such functions as are or may be assigned to him under this Act.

(3) Every member [except Member (private)] shall, before assuming his office, relinquish or divest himself of any office or interest in any corporation, company or concern other than an industry owned by the Federal Government or sponsored by the Board or Co-operative Society, or a charitable organization:

Provided that the Federal Government may permit a member to retain any shares in a company purchased by him if the company of which the shares have been acquired does not have any dealings with the Board; and in case of company of which a member holds shares starts dealings with the Board, the member shall immediately declare to the Board the extent of his share in the company.

5. Meetings.—(1) No business of the Board shall be transacted except at a meeting at which a quorum of at least three members is present.

(2) The Chairman and, in his absence, the senior most member shall preside at the meetings of the Board.

(3) At the meetings of the Board each member shall have one vote and, in the event of equality of votes, the Chairman or the member presiding shall have a second or casting vote.

(4) A resolution in writing signed by all the members for the time being in Pakistan shall be as valid and effective as if it has been passed at the meeting of the Board.

6. Functions of the Board.—(1)The principal functions of the Board shall be to manage,'[organize or, as the case may be, within the existing financial resources, reorganize any factory] and administer the affairs of the factories included in Heavy Industries and to run them on _ sound administrative and modern management techniques so as to adequately meet, during war and peace, the needs of the defence of the country and to utilize the [commercial potential] of the factories to meet the requirements of the civilian population and the brotherly or friendly countries.

'Subs and Ins. by ordinance XLVII of 2000, by ss.6-7.

? Subs. By Act VI of 2019, by s.2.

(2) The Board shall, in discharging its functions, be guided on questions of policy involving national interest, including defence requirement during war and peace, by such directions as the Federal Government, which shall be the sole judge whether or not national interest is involved, may give from time to time.

7. Investment of the Board with certain powers. Notwithstanding anything contained in any law, regulations, rules, order, notification, agreement or other instrument for the time being applicable to any factory, or any officer or other employee appointed or engaged in, or in connection with any factory, the Board may in relation to such factory, officer or employee exercise the following powers in addition to the powers which may be delegated by the Federal Government, from time to time,—

(a) to determine the terms and conditions of service, recruitment, promotion, transfer, posting, dismissal, discharge, demotion and other disciplinary action of all officers and other employees:

Provided that the terms and conditions of service of any officer or other employee appointed or engaged before the commencement of this Act shall not be varied to his disadvantage and that he shall not be dismissed or removed from service or reduced in rank by any authority subordinate to that by which he was appointed:

Provided further that the officer or employees appointed before the commencement of this Act shall be given an option, after the service rules for the officers and employees of the Board have been framed, to opt for the new service rules or to continue to be governed by their existing services rules; but once the option has been exercised by an officer or employee within the time fixed by the Board, it shall be final, and an officer or employee who does not exercise the option within the prescribed time shall be considered to have opted for the new rules:

Provided also that the promotion, demotion or other disciplinary action against an officer or employee on deputation or secondment shall be governed by the service rules applicable to him; and

(b) to appoint or engage such officers and other employees, advisors, consultants on contract as it consider necessary for the efficient discharge of the functions on such terms and conditions of service as it may determine;

(c) to carry out all technical and engineering projects or works or to enter into contract or agreement and to arrange training within country or abroad pertaining to their execution;

(d) to make all purchases or plant, machinery and stores either in the country or abroad and also to dispose of store and equipment;

(e) to fix pay of the officers and other employees wherever necessary either initially or otherwise at any stage within the pay scales prescribed by the

Federal Government;

(f) to utilize or incur expenditure in respect of lumpsum grant allocated for the purpose in the Budget;

(g) to frame, subject to any direction issued in this behalf by the Federal Government, departmental financial and accounting rules and procedures,

keeping in view the modern techniques for cost control and optimum utilization of resources; and

'T(h) to utilize, create and enhance commercial capacity and capability for manufacturing marketable products, promote sales thereof and provide services within country and abroad, through;-

(A) _ establishment of limited company under the Companies Act, 2017 (XIX of 2017) to undertake with approval of the Board, commercial activities on corporate lines with private or public sectors both within country and abroad for the following, namely:—

(i) undertake joint ventures with experienced national and international partners;

(ii) establish subsidiary companies;

(iii) — without utilizing public money, raise funds through private investment or bank credit;

(iv) maintain receipt and expenditure account of the commercial revenue in scheduled banks jointly operated in consultation with member finance;

(v) frame audit, accounts and costing manuals on modern techniques;

(vi) | marketing of commercial products through internal marketing department or through hiring of agents; and

(vii) formulate own recruitment and procurement procedures.

(B) the company and its subsidiaries are subject to audit by the Chartered Accountants firms; and

(C) revenue earned by utilizing commercial activities to subsidize defence budget which will reduce burden on national economy, for reinvestment and to provide benefit to the Board's management and employees in prescribed manners.]

8. Submission of estimates of receipts and expenditures to the Federal Government.—(1) The Board shall in the month of December every year, submit in such manner and form as the Federal Government may direct, to the Federal Government, for making necessary provision in its Budget, a statement of the discharge of its functions under this Act in respect of the new financial year together with a statement showing separately the estimated receipts and expenditure in foreign exchange for that year.

(2) The Board shall not, without the previous sanction of the Federal Government, incur any expenditure or undertake any financial liability involving expenditure, in excess of the amount approved for the projects.

'Subs. by Act VI of 2019, by s.3.

9. Accounts, audit and costings.—(1) The Board shall maintain its accounts including those of the factories in such manner and form as may be prescribed by the Federal Government in consultation with the Auditor-General of Pakistan.

(2) The accounts of the Board including those of the factories shall be audited by the Auditor-General of Pakistan.

(3) The Board shall, within six months after the end of every financial year, submit to the Federal Government a statement of accounts audited by the Auditor-General of Pakistan.

(4) The Federal Government may at any time require Auditor-General of Pakistan to report to it upon the adequacy of measures taken by the Board for the efficient management of the factories.

(5) The Board shall establish a costing mechanism in all the factories so as to exercise effective cost control and organize production on modern commercial lines.

10. Submission of annual report, return etc.—(1) The Board shall, as soon as possible after the end of every financial year but not later than thirty-first day of December next following, submit to the Federal Government a report on the conduct of the affairs of the Board during that year.

(2) The Federal Government may require the Board to furnish it with—

(a) any return, statement, estimate, statistics or other information regarding any matter relating to or under control of the Board;

(b) a report on any subject with which the Board is concerned; or

(c) any document or copy of a document in charge or under the control of the Board and the Board shall comply with such requisition.

11. Delegation of powers. The Board may, from time to time, authorize '[the Chairman,]' any one or more of its members '[or any subordinate authority of Heavy Industries]' to perform such functions or exercise such powers on its behalf as may be specified by the Board through a resolution passed at a meeting with proper quorum, and the '[Chairman, Member or the subordinate authority]' so authorized shall conform to such regulations or restrictions as may be prescribed by the Board.

12. Mode of signifying communications from the Board. Any notice, determination, directions, requisition, appointment, expression of opinion, approval or sanction to be given or signified on the part of the Board for any of the purposes of, or in relation to, any powers or functions with which it has been invested under this Act, shall be sufficient and binding if it is in writing signed by the Chairman or by any other person authorized by the Board to act in its behalf of the matters to which such authorization may relate, and the Board shall not in any case be bound in respect of any of the matters aforesaid unless by some writing signed in the manner aforesaid.

13. Power to issue direction. The Federal Government may, from time to time, issue directions to the Board to take such measures as it considers necessary for the efficient management of the factories and the Board shall comply with such directions.

¹Ins and subs. by Ordinance XLVII of 2000, by s.8.

14. Power to make rules. The Federal Government will make rules for carrying out the purpose of this Act.

15. Dissolution of the Board. The Federal Government may, by Notification in the Official Gazette, declare that the Board shall be dissolved on such date, as may be specified therein, and the Board shall accordingly stand dissolved.