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THE SIND TEXTILE BOARD ORDINANCE, 1949

ORDINANCE NO. X OF 1949.

[13<sup>th</sup> July, 1949]

AN  
ORDINANCE

to incorporate and regulate the Sind Textile Board.

WHEREAS an emergency has arisen which makes it necessary to incorporate and regulate a trading corporation in [\* \* \*] Sind for the purpose of improving the procurement and wholesale

distribution of cloth [therein];

NOW, THEREFORE, in exercise of the powers conferred by Section 42 of the Government of India Act, 1935, the Governor-General is pleased to make and promulgate the following Ordinance:—

1. Short title, extent and commencement. (1) This Ordinance may be called the Sind Textile Board Ordinance, 1949,

(2) It extends to [\* \* \*] Sind and the [Karachi Division].

(3) It shall come into force at once and shall be deemed to have taken effect on the 5<sup>th</sup> day of December 1947.

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

(a) "cloth" means cloth either manufactured wholly from cotton or manufactured partly from cotton and partly from other material and containing not less than 10 per cent of cotton by weight;

(b) "Director" means the Director of Civil Supplies, Sind, and includes the Assistant Director of Civil Supplies (Textiles), Sind;

(c) "Government" means the [Provincial Government];

(d) "prescribed" means prescribed by rules made under this Ordinance;

(e) "regulations" means regulations made under section 13;

(f) "scheduled bank" means a bank included in the Second Schedule to the State Bank of Pakistan Order, 1948;

(g) "wholesale dealer" means a person engaged in wholesale business in cloth.

\*Omitted and subs. by the Central Laws (Statute Reform) Ordinance No. XXI of 1960, s. 3 and 2nd Sch.  
\*Subs. by A. O., 1964, Art. 2 and Sch.

3. Establishment and Incorporation of the Sind Textile Board. (1) As soon as may be after the commencement of this Ordinance, there shall be established in the manner hereinafter provided a trading corporation for the purpose of improving the procurement and wholesale distribution of cloth in [\* \* \*] Sind.

(2) The said trading corporation shall be a body corporate by the name of the Sind Textile Board (hereinafter referred to as the Board) having perpetual succession and a common seal and shall by the said name sue and be sued.

4. There shall be a Chairman and a Vice Chairman of the Board who shall be elected in such manner and shall hold office for such term as may be prescribed.

5. Management of the Board. (1) There shall be constituted for the purpose of administering the affairs of the Board an Executive Committee, hereinafter referred to as the Committee.

(2) The affairs of the Board shall be administered by the Committee which shall consist of the Chairman and Vice-Chairman of the Board, who shall be Chairman and Vice-Chairman respectively of the Committee and nine other members who shall be elected for this purpose and shall hold office until the next election.

(3) The term of office of the members of the Committee shall be such as may be prescribed.

(4) No act done or decision taken by the Committee shall be called in question on the ground merely of the existence of any vacancy therein or defect in its constitution or on the ground that the Board is not at any time fully established.

6. In the event of any vacancy in the office of Chairman or Vice-Chairman of the Board or of a member of the Committee, otherwise than at the end of his term of office the person elected to succeed him shall hold office only for the unexpired portion of that term.

7. Members of the Committee not to be remunerated. No Chairman or Vice-Chairman or any member of the Committee or of any sub-committee or any person co-opted to serve on any sub-committee shall be entitled to receive for his services in such capacity any remuneration from the funds of the Board or otherwise.

8. Membership of the Board. (1) The Board shall consist of not more than seventy members who may be individuals or firms or corporate bodies.

(2) Subject to the provisions of this Ordinance a person shall be eligible to be a member of the Board who—

(a) is a wholesale cloth dealer;

(b) is able to contribute in full towards the capital of the Board as set out hereinafter; and

(c) is in the opinion of the Committee a suitable person and one who will forward the interests of the Board.

'Omitted by the Central Laws (Statute Reforms) Ordinance No. XXI of 1960, s.4 and 2nd Sch.

(3) Any person claiming to be eligible as aforesaid and desiring to be a member on the Board may apply to the Committee in this behalf in the manner prescribed.

(4) The Committee shall consider all applications received by it under this section, and if it is satisfied that an applicant is eligible as aforesaid, it shall recommend to the Director that the eligibility of the applicant for membership of the Board may be admitted.

(5) In considering an application recommended under the preceding sub-section the Director may require the applicant to furnish him with such further evidence of eligibility for membership as aforesaid as he may specify.

(6) If the Director accepts the recommendation of the Committee, he shall notify the applicant in writing that his eligibility for membership as aforesaid has been admitted.

(7) The decision of the Director under this section shall be final, and no order passed by him admitting or rejecting an application under this section shall be called in question on any ground in any court.

9. Subscriptions, liability and interest of members. (1) Every member of the Board shall subscribe towards the funds of the Board a sum of not less than one lakh of rupees.

(2) Any person applying to be a member of the Board shall, not later than the prescribed date, subscribe in full a sum not less than as aforesaid towards the funds of the Board, and upon making such subscription shall become a member of the Board and shall be entitled to one vote.

(3) The interest of each member of the Board in the earnings of the Board available at any time for distribution among the members of the Board shall be in proportion to the amount at that time standing to his credit in the books of the Board and shall continue for so long as he remains a member of the Board.

10. Conduct of Business of the Board. Subject to the provisions of the next succeeding section all matters involving in the opinion of the Committee substantial questions of policy and all such other matters as may be specified in the regulations shall be decided by the Board, and all other affairs of the Board, save as may be prescribed, shall be administered by the Committee:

Provided that the decision of the Committee in any such matter as may be specified in the regulations shall be submitted for the approval of the Board.

11. General Control by Government. The activities of the Board shall be subject to the general control of the Government and the Board shall comply with any directions of a general or special nature which the Government or the Director or any other officer authorised by either in this behalf may give to it.

12. Accounts and Finance. (1) The accounts of the Board shall be maintained and audited in such manner and in accordance with such provisions as may be prescribed and the funds of the Board shall be deposited in such scheduled banks as may be approved by the Committee.

(2) Subject to such conditions as may be prescribed, the Committee may, on behalf of the Board, take such loan from or enter into such other arrangements with any scheduled bank as are, in the opinion of the Committee, necessary in the interest of the members of the Board or for forwarding the purposes of the Board.

(3) The Committee may secure loans from any scheduled bank or banks either against cash security or against hypothecation of stocks.

13. Procedure. (1) A general meeting of members of the Board shall be convened at such time and at such place and its proceedings shall be conducted in such manner as may be prescribed.

(2) The Board may make regulations, not inconsistent with the provisions of this Ordinance and the rules made thereunder—

(a) specifying the matters to be decided by the Committee and the matters in respect of which decisions of the Committee shall be submitted for the approval of the Board;

(b) imposing such conditions or restrictions as it thinks fit on the powers of the Committee;

(c) enabling the Committee to co-opt other members of the Board to serve on the

Committee and to constitute sub-committees from amongst its members and empowering such sub-committees to co-opt additional members, whether members of the Board or not, having special knowledge of the subject with which a particular sub-committee is concerned;

(d) providing for the convening of meetings of the Committee or sub-committees, the time and place at which such meetings shall be held, the number of members necessary to constitute a quorum at such meetings and the procedure and the conduct of business thereat.

14. Winding up of the Board. (1) The Board shall continue in being until it is wound up in accordance with the provisions of this section.

(2) Subject as hereinafter provided the Board may be wound up—

(a) by the order of the Government; or

(b) by a resolution passed by a majority of the Board.

(3) In the case of a winding-up by an order under clause (a) of sub-section (2) the order shall not take effect until such date, not being a date less than three months after the date of the order, as the Government or the Director may specify by notification in the official Gazette.

(4) In the case of a winding-up by a resolution under clause (b) of sub-section (2) the resolution shall not take effect until the expiry of a period of three months from the date on which the resolution is communicated to the Government, and during the said period the Board, notwithstanding anything in the said resolution, shall be bound to comply with any direction of the Government or of the Director or of any officer of the Supply Department of the Administration of the [Karachi Division].

<sup>1</sup>Subs. by A. O., 1964, Art. 2 and Sch.

(5) Notwithstanding anything in the foregoing sub-sections of this section the Board shall be deemed not to have been wound up until all sums due to the Government or to the Central Government or to any bank to which a guarantee has been given by the Government for advancing any loan to the Board have been repaid in full and a certificate to that effect has been obtained from the Government and from the [Federal Government].

(6) Every person who is, or who at any time has been, a member of the Board whether as established by the Government or by this Ordinance, shall be liable jointly and severally to contribute to the assets of the Board to the extent that those assets may at the winding up be insufficient to pay the debts of the Board, and no resignation or transfer of shares whenever made shall operate to exempt any such person from such liability.

(7) For removing doubts it is hereby declared that any notice of winding up given by the Sind Textile Board before the commencement of this Ordinance shall be void.

15. Power to make rules. (1) The Government may by notification in the Official Gazette make rules to carry out the purposes of this Ordinance.

(2) In particular, and without prejudice to the generality of the foregoing provision such rules may: —

(a) provide for the manner in which the accounts of the Board shall be maintained and audited and generally for all matters relating to the finances of the Board for which it is necessary or expedient to make provision;

(b) lay down the conditions subject to which the Committee may take loans from or enter into arrangements with any scheduled bank under section 12;

(c) provide for the convening of general meetings of members of the Board, the times and places at which such meetings shall be held and the procedure and conduct of business thereat;

(d) provide for any other matter which is under this Ordinance to be prescribed.

(3) Rules made under this section may apply to the Board any of the provisions of the Companies Act, 1913 (VII of 1913) with such modification as may be considered necessary for adapting them to the requirements of the Board.

16. Act VII of 1913 not apply to Board. Save as expressly provided by or under this Ordinance, the provisions of the Companies Act, 1913, shall not apply to, or in relation to, the Board.

17. Bar of legal proceedings. No suit, prosecution or other legal proceedings shall lie against any person for anything done or in good faith intended to be done, under this Ordinance.

18. Existing Board deemed to be Board established by this Ordinance. (1) The Sind Textile Board established by the Government on the fifth day of December, 1947, shall be deemed to have been established under this Ordinance, and any person who at the commencement of this Ordinance is or has been a member of that Board or of the Committee or of any sub-committee under that Board shall be deemed to be or to have been a member of the Board or Committee or sub-committee, as the case may be, established or constituted under this Ordinance ; and all contracts, rights and liabilities 'Subs. by F.A.O., 1975 Art. 2 and Table.

of whatever kind, whether arising out of any contract or in any other manner whatsoever of that Board or of any member thereof as such member shall be deemed accordingly to be contracts, rights and liabilities of the Board or of that member of the Board, constituted under this Ordinance.

(2) Notwithstanding anything in section 4 any person holding office as Chairman or Vice-Chairman at the commencement of this Ordinance shall continue to hold office for such term as the Government may prescribe.