

THE '[KHYBER PAKHTUNKHWA] SMALL INDUSTRIES
DEVELOPMENT BOARD ACT, 1972.

2TIKHYBER PAKHTUNKHWA] ACT NO. II OF 1973.

Received the assent of the Governor of the?[Khyber Pakhtunkhwa]
on 12th January. 1973.

AN

ACT

to establish a Small Industries Development Board in the Province of

4[Khyber Pakhtunkhwa]

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ACT

To establish a Small Industries Development Board in the Province of
4[Khyber Pakhtunkhwa].

WHEREAS, it is expedient to establish a Board to take over the assets and Preamble.
liabilities of West Pakistan Small Industries Corporation and for promoting the
development of industries in the Province of *[Khyber Pakhtunkhwa] with particular
reference to small and cottage industries;

It is hereby enacted as follows.-

CHAPTER- I

Preliminary

1. (1) This Act may be called the °[Khyber Pakhtunkhwa] small Industries — Short title,

Development Board Act, 1972. extent and
commencement.

(2) It extends to the whole of the 7[Khyber Pakhtunkhwa], except the Tribal Areas.

(3) It shall come into force at once.

2. In this Act, unless the context otherwise requires, the following expressions Definition.
shall have the meanings hereby respectively assigned to them, that is to say.

(a) “Board” means the Board of Directors established under this Act;

1 Subs. Vide the Khyber Pakhtunkhwa ActNo.IV of 2011.

2.Subs.Vide the Khyber Pakhtunkhwa ActNo.IV of 2011.

3.Subs.Vide the Khyber PakhtunkhwaActNo.IV of 2011.

4 Subs.Vide the Khyber Pakhtunkhwa Act No.IV of 2011

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6.Subs.Vide the Khyber Pakhtunkhwa ActNo.IV of 2011.

7.Subs.Vide the Khyber Pakhtunkhwa ActNo.IV of 2011.

(b) "borrower" means any person or persons or body or persons, whether incorporated or not, to whom a loan is made by the Board or by a Schedule Bank on the guarantee of the Board under this Act, and includes the successors and assignees of such person or persons;

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

(d) Cottage Industry" means an industry which is carried on wholly or primarily with the help of the members of a family as a whole time or part-time occupation;

(e) "Director" means a Director of the Board and includes the Chairman;

(f) "Government" means the Government of the Khyber Pakhtunkhwa;

(g) '[***]

(h) "other industry" means an industry, other than cottage or small industry, approved by *[Government] and set up or established in a small industries estate;

(i) "Prescribed" means prescribed by rules or regulations;

(j) "regulations" means regulations made under this Act;

(k) "rules" mean rules made under this Act;

(l) "Schedule Bank" means a bank for the time being included in the list of banks maintained under sub-section (J) of section 37 of the State Bank of Pakistan Act, 1956;

(m) "small industries estate" means an estate established or managed by the Board to provide land and facilities for the establishment and development of small, cottage and other industries;

(n) "small industry" means an industry engaged in the handicrafts or manufacture of consumer producer goods, the value of the total fixed assets where of (including land) does not exceed such limit as Government may from time to time fix: and

(o) "State Bank" means the state Bank of Pakistan.

' Clause (g) Omitted by Khyber Pakhtunkhwa Act No.VII of 1975.

>. Subs:Act ibid for the word "the Governor".

CHAPTER II

Constitution Of The Board

3. (1) As soon as may be after the commencement of this Act, there shall be established a Board to be known as the '[Khyber Pakhtunkhwa]small Industries Development board.

(2) The Board shall be a body corporate, 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 Board shall consist of such number of Directors, not less than four, as may be appointed by *[Government].

3[(3a)The President of Sarhad Chamber of Commerce and Industry shall be ex-officio Director or the Board.

(3b) Government may appoint such persons as ex-officio Directors as it may deem fit].

4[(4) The General Manager of the Board, or where the posts of the General Manager and the Chairman are held by the same person, such officer of the Board as designated by the Chairman, shall act as Secretary to the Board”].

(5) The head office of the Board shall be at Peshawar.

4. (1) For effectively discharging its functions, the Board shall, subject to the Provisions of this Act, have all powers necessary for the purpose.

(2) The Board in discharging its functions shall act on commercial considerations and shall be guided by such directions as the *[Government], may from time to time give.

(3) If the Board fails to carry out any direction given as aforesaid the [Government] may, for reasons to be recorded in writing, remove the directors and notwithstanding anything contained in section 3 (3) and section 5 appoint persons in their place to be Directors temporarily until a fresh Board is constituted in accordance with the provisions of this Act.

1. Subs vide the Khyber Pakhtunkhwa Act No.IV of 2011.

2.Subs: by Khyber Pakhtunkhwa Act No.VII for the words “the Governor”.

3.Sub section 3 (a) and 3 (b) inserted by Khyber Pakhtunkhwa Act No. VII of 1975.

4 Subs: ibid.

5 Subs: ibid, for the words “the Governor”.

Constitution of
Board.

(4) The '[Government]' may suspend the execution of any such resolution or order of the Board as, in the opinion of the [Government], contravenes 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 specified.

3[Provided that where an order which the Government intends to make under

this sub-section is likely to affect adversely the interest of any person, Whether individually or collectively, it shall not be made unless the person or persons so affected are given an opportunity of being heard].

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TERMS OF OFFICE AND CONDITIONS OF APPOINTMENT OF DIRECTORS--]

(1) Each Director shall,-

(a)subject to the provisions of sub-section (1) of section 6, be appointed on part-time basis;

(b)perform such duties as may be prescribed by regulations, or as the Board may assign to him;

(c)receive such salary and allowances as Government may determine.

(2) Subject to the provisions of section 4 (3), 8, 9, 10 and 11, the term of office of the Directors, other than the ex-office Directors or a Director appointed to fill a casual vacancy, shall be three years:

Provided that-

(i)in the case of first Board re-constituted after the coming into force of the*[Khyber Pakhtunkhwa] Small Industries Development Board (Amendment) Act, 1975, one third of the Directors, other than the ex-officio Directors, shall retire every year; and

(ii)after the expiry of the terms of a Director, Government may appoint him for a further term or terms of such duration as it thinks fit.

(3) For the purpose of clause (i) of the proviso to sub-section (2), the Directors,

other than the ex-officio Directors, shall be divided into three groups by drawing of lots, and the term of office of the Directors of the first group, second group and the third group shall respectively be one year, two years and three years.

' Subs: by Act No. VII of 1975 for the words "the Governor".

2 Subs: by Act No.VII of 1975 for the words "the Governor".

* Ins. by Khyber Pakhtunkhwa Act No.II of 1985, section 2 read with the Schedule.

4.Subs by Khyber Pakhtunkhwa Act No.III of 1975.

5. Subs vide the Khyber Pakhtunkhwa Act No.IV of 2011.

(4) '[The term of office of a Director appointed to fill a casual vacancy shall be the un-expired term of office of the Director whose vacancy he is appointed to fill].

7. 6. =r (1) Government shall appoint on whole- time basis, one of the Appointment of Directors to be the Chairman of the Board]. Chairman of the

(2) Subject to his continuing to hold office as Director, the Chairman Board. shall hold office as Chairman for a term of three years, and subject as aforesaid-

(a) Shall remain in office as Chairman thereafter until his successor in the office is appointed °[* * *].

(b) may be appointed to hold that office for a further term or terms as the "[Government] may, in appointing him thereto, determine *[*; and]

®["(c) may also be appointed as General Manager of the Board."]

7. Government may appoint a General Manager of the Board, who shall be the Appointment of Chief Executive of the Board and shall exercise such powers and perform such duties camel as Government may, from time to time, specify or the Board may under section 16 anager delegate.

8. Notwithstanding anything contained in section 3 (3) , 5 and 6, when the Terms of office Board is first constituted, the Chairman and Directors shall hold office for such term, a . fis not exceeding three years, as the [Government] may determine. Director an

9. No person shall be appointed as or shall continue to be a Director, who— Disqualification

of Directors.

(a) is or at any time has been convicted of an offence involving moral turpitude; or

(b) is or at any time has been adjudicated insolvent; or

(c) is found a lunatic or becomes of unsound mind; or

1Subs. by Khyber Pakhtunkhwa Act No.VII of 1975.

2. The word "and" omitted by Act ibid.

*. The word "and" omitted ibid.

4 Subs.by Act ibid for the words "the Governor".

*.The full stop was replaced by the semi-colon and the word "and" inserted by Act ibid.

6 Added by Act ibid.

7 Subs. by Act ibid for the words "the Governor".

(d) is or at any time has been disqualified for employment in or dismissed from the service of Pakistan; or.

(e) is under the age of twenty one years; or

(f) is not a citizen of Pakistan.

10. The '[Government] may by order in writing *[and after giving an opportunity of Removal of being heard] remove the Chairman or a Director, if he- Chairman and Directors.

(a) refuses or fails to discharge or becomes, in the opinion of 3[Government], incapable of discharging his responsibilities under this Act; or

(b) has, in the opinion of the "[Government], abused his position as Chairman or Director; or

(c) has knowingly acquired or continued to hold, without the permission in writing of the *[Government], directly or indirectly, through a partner any share or interest in any contract or employment with, by or on behalf of the Board or in any property, which in his knowledge, is likely to benefit or has benefited as a result of the operations of the Board; or

(d) has in opinion of the °[Government], violated the declaration of fidelity and secrecy provided under section 13; or

(e) has absented himself from three consecutive meetings of the Board without the leave of the'[Government] in the case of the Chairman

and of the Chairman in the case of a Director.

11. Notwithstanding anything contained in this Act, the Chairman or Director may, Resignation by at any time before the expiry of his term upon three months notice, resign, his office, Chairman or or upon similar notice be removed from office by the *[Government] without Directors. assigning any reason.

'. Subs for the word "the Governor" by Khyber Pakhtunkhwa Act No.VII of 1975.

2, Inserted vide Khyber Pakhtunkhwa Act No.II of 1985.

. Subs for the word "the Governor" by Khyber Pakhtunkhwa Act No. VII of 1975.

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12. (1) The Board may, subject to such general or special orders as the Appointment [Government] may from time to time give, appoint such officers, advisers and °F Officers, etc. employees as it considers necessary for the efficient performance of its functions,

on such terms and conditions as may be prescribed.

(2) The Board may employ such officers, experts, advisors, consultants and other persons as may be transferred to it by '[Government]' on such terms and conditions as may be determined by Government.

(3) The Chairman, in cases of urgency, may appoint such officers, advisors, consultants and other employees as may be necessary:

Provided that every appointment made under this sub-section shall be reported to the Board without unnecessary delay and shall not continue beyond six months unless approved by the Board.

13. (1) Every Director, adviser, officer or other employee of the Board before Declaration of entering upon his duties shall make such declaration of fidelity and secrecy as may identity and be prescribed by regulations. secrecy.

(2) Any adviser, officer, or other employee of the Board who, in the opinion of the [Government] or a person authorized by the *[Government] in this behalf has violated the declaration fidelity or 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, to be forthwith removed from his office or post.

14. The Board may constitute such financial, technical and advisory committees as _ Financial,

may be necessary for carrying out the purpose of this Act. technical and advisory

committees.

15. (1) Every Director, advisor, officer or other employee of the Board shall be Indemnity.

indemnified by the Board against losses and expenses incurred by him in the discharge of this duties, except such as are caused by his own willful act or default.

(2) A Director shall not be personally responsible for the acts of any other Director or of any advisor, officer or employee of the Board which he could not have reasonably prevented by the due exercise of his powers and functions under this a act, and the rules and regulations for any loss or expense revalue or title to any property or security acquired or taken on behalf of the Board for the wrongful act of any person under a liability to the Board or for anything done by him in good faith in the execution of the duties or his office.

' Subs for the word "the Governor" by Khyber Pakhtunkhwa Act No.VII of 1975.

2. Subs for the word "the Governor" by Khyber Pakhtunkhwa Act No.VII of 1975.

3. Subs for the word "the Governor" by Khyber Pakhtunkhwa Act No.VII of 1975.

16. The Board may by general or special order delegate to the Chairman, Director, General Manager, Officer or employee of the Board any of its powers, duties, or functions under this Act, the rule and regulations, subject to such conditions as it may deem fit to impose.

17. (1) The meetings of the Board shall be held at such time and at such places as may be prescribed by regulations:

Provided that at least one meeting shall be held in '[every three months]:

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

(2) The quorum necessary for transacting business at a meeting of the Board shall be three, if the Board consists of five or more Directors, and two, if the number is less.

(3) Each Director, including the Chairman, shall have one vote but in case of equality of votes, the Chairman shall have a second or casting vote.

(4) The meeting of the Board shall be presided over by the Chairman and in his absence, by the senior most Director present at the meeting.

(5) No act or proceeding of the Board shall be invalid merely on the ground of the existence of any vacancy in or any defect in the constitution of 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 charge be open to inspection by any Director.

(7) If the 2[Government] so direct in any case, the Chairman shall forward to °[it] copies of all papers which were laid before the Board for consideration at a meeting.

(8) Government may require the Chairman to furnish it with-

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

(b) a report on any such matter; or

(c) a copy of any document in the charge of the Chairman.

1 Subs. for the words "a month" by the Khyber Pakhtunkhwa OrdNo.XI of 1982.

? Subs. for the words "the Governor" by Khyber Pakhtunkhwa Act No.VII of 1975.

* Subs. ibid for the word "it".

Delegation of
Powers.

Meetings of the
Board.

The Chairman shall comply with any such requisition without any undue delay.

18. (1) The Board 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 purposes of this Act.

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

CHAPTER - III

Powers, Duties and Function of the Board.

19. (1) In accordance with the provisions of this Act, the Board shall take such measures as it thinks fit to render assistance in the establishment and development of cottage, small and other industries.

(2) In particular and without Prejudice to the generality of the foregoing powers, the Board may, in order to promote and carry out the purpose of this Act-

(a) give loans to borrowers for the purpose of small, cottage and other industries;

(b) furnish guarantees to the Schedule Banks for the repayment of loans to borrowers for the development of industries and to share losses on account of bad debts in accordance with the agreement in this regard between the Board and those Banks:

Provided that the loans given under clause (a) or guaranteed under clause (b) shall be repayable within a period not exceeding twenty years.

Explanation. — Loans made by the Board may be in kind or in cash or in the form of buildings, developed plots or lands in the small industries estate or machinery and equipment on lease or on hire-purchase basis.

20. No loan shall be made by the Board until it is secured by pledge, mortgage hypothecation or assignment of such property, movable or immovable, and of such value in proportion to the loan as the Board may deem fit:

Provided that when the loan is made to an individual and does not exceed two thousand rupees in the aggregate, it may be secured by bond with at least two solvent sureties.

21. The rate of interest chargeable on loans made by the Board may be determined and notified by Government from time to time.

Power of Board
to associate
other persons.

Functions of the

Board.

Security
loans
subscription.

Interest
loans.

for
of

on

22.

(1) The Board shall not make loans or subscription to, or furnish any guarantee

in respect of any small or cottage industries located outside the small industries estate in excess of the following aggregate limits, namely.-

(a) when made to an individual, rupees five lacs,

(b) When made to any borrower other than an individual, rupees fifteenlacs.

(2) The Board shall not make loans or furnish guarantees in the case of

industries located in the small industries estate in excess of such limits as may be notified by Government from time to time.

23. Government may, from time to time, on the recommendation of the Board relax the aggregate limit of loans, subscriptions and guarantees provided under section 22.

24.

At the time of entering into any transaction, the Board may impose such

conditions as it may think necessary or expedient for protecting its often interests and for securing that the loan, underwriting or other aid shall be put to the best use.

25. (1) Notwithstanding anything in any agreement or in any law to the contrary,

if—

(a) it is found that the loan was obtained by information supplied by the borrower which was false or misleading in any material particular, or

(b) the borrower is found to have committed a breach of the terms of his agreement with the Board relating to the loan; or

(c) the loan or any part of it is found to have been utilized otherwise than for the purpose for which it was made; or

(d) there is a reasonable apprehension that borrower will be unable to pay his debts or may go into liquidation; or

(e) the property pledged, mortgaged, hypothecated or other equipment is removed from the premises is not kept in a proper condition by the borrower or the property has depreciated in value by more than the prescribed percentage and the borrower is unable to give additional security to the satisfaction of the Board; or

(f) without the permission of the Board, machinery on other equipment is removed from the premises of the borrower's industrial establishment

without being replaced; or

Limit of loans.

Relaxation
loans.

Power
impose
conditions.

Power
demand
payment
entire sum.

of

of

(g) without the permission of the Board, building, land or other property mortgaged, as security for the loan is in any way disposed of or charged by the borrower; or

(h) for any other reason, it is necessary in the opinion of the Board to do so in order to protect the interests of the Board;

any officer authorized generally or specially in this behalf by the Board may by notice, call upon the borrower to pay up the entire sum then remaining unpaid by the borrower in respect of the loan and the interest payable thereon, or any lesser sum as the case may be, or require the borrower to surrender the building, machinery and equipment or other materials given to him by way of loan or require him to comply with such directions as the Board may consider necessary to give in order to safeguard its interests.

(2) Such notice shall specify the time within which the borrower is required to make the payment or to surrender the factory building, machinery and equipment or materials or to carry out the direction given and shall also contain a warning that if the borrower fails to pay the amount demanded or to surrender the factory building, machinery and equipment or materials or to carry out the directions given, as the case may be, within the time specified, the Board may issue a certificate certifying the borrower to be a defaulter and certifying the sum due from borrower to be recoverable as arrears of land revenue.

26. (1) If the borrower fails to make the payment demanded or to carry out the Certificate of directions given in a notice under section 25 within the time specified in the notice, STMs

the Board may issue a certificate in the prescribed form and manner certifying the recoverable borrower to be a defaulter and certifying the aggregate sum, including interest,

payable by the borrower to the Board on and upon the date of the certificate and

the rate at which interest was payable thereon thereafter.

(2) Subject to the provisions of sub-section (3) a certificate issued under sub-section (1) shall be conclusive evidence that the sums certified in the certificate together with further interest at the rate certified were recoverable by the Board from the borrower.

(3) The borrower may within fifteen days of the issue of the certificate under sub section (1) appeal to Government in that behalf against the certificate and thereupon Government '[after giving an opportunity of being heard] cancel or modify the certificate.

(4) Notwithstanding anything in any agreement or in any law to the contrary—

1 Ins. by Khyber Pakhtunkhwa Act No.II of 1985.

(a)

(b)

(o)

(a)

the Board shall have the option to recover the amount due from a borrower either from him or from his surety and a certificate issued under sub-section (1) shall also be executable against the surety as if he himself were borrower;

any transfer of properties pledged, mortgaged, hypothecated or assigned by the borrower as security for the loan, so long as the loan or the interest thereon or any part thereof remains unpaid to the Board, shall be void as against the Board and such properties shall be liable to attachment and sale as if no such transfer had taken place;

where a loan has been advanced in the form of building or machinery and equipment on hire purchase basis and the borrower has committed breach of the terms and conditions of the agreement or otherwise violated any provisions of this Act, or failed to comply with the notice issued under sub-section (1), the Board shall be entitled to take possession of the building or machinery and equipment, as the case may be;

all sums due to the Board from a borrower or any other person shall be recoverable as arrears of land revenue.

27. (1) The Board may, with the previous approval of Government and the Federal Government and on such terms and conditions as may be approved by

Government

borrow in foreign currency from the International Bank for

Reconstruction and Development or otherwise money required for the development of small cottage and other industries. In the case of loan secured for the purpose of section 19, the Board may pledge, mortgage, hypothecate or assign to the said Bank or other lender all or any part of security taken by the Board for the loan granted in foreign currency.

(2) All loans obtained in foreign currency shall be repayable either—

(a)

(b)

(o)

in the currency in which they are obtained; or

In any other currency which is agreed upon by the loan giver agency, Government and the Federal Government; or

in Pakistan currency at the rate of exchange prevailing at the date of repayment.

28. The Board shall also be responsible for,—

(a) preparing and submitting schemes to Government for the development of cottage, small and other Industries. Such schemes, may include schemes for research and mechanization in respect of cottage and small industries;

(b) giving effect to schemes approved by appropriate means;

Loans in foreign
currency.

Other functions
of the Board.

- (c) laying down policy for the promotion of small industries in the Province;
- (d) sponsoring industries to be set up in the small industries estate;
- (e) taking over and running schemes, project and training intuitions as may be transferred to the Board by Government;
- (f) organizing co-operative societiesin furtherance of the purposes of this Act;
- (g) taking appropriate measures for integration of small industries with large industries;
- (h) undertaking census and surveys of cottage, small and other industries;
- (i) organizing trade associations and taking other appropriate measures for promoting and marketing the products of cottage and small industries;
- (j) organizing fairs, pavilions, sales and display, of products of cottage and small industries;
- (k) establishing service centers and common facility centers for specific industries or groups of industries;
- (l) establishing, in special case and with the prior approval of the [Government], small and cottage industries, in less developed areas;
- (m)establishing small industries estates;
- (n) establishing artisan colonies, design centers, workshops, institutes for promotion and development of handicrafts;
- (o) taking appropriate means for promotion and development of sericulture;
- (p) procuring and distributing to cottage and small industries, raw materials, machinery and spare parts;
- (q) establishing institutes for the promotion and development of cottage, small and other industries;
- (r) maintaining and running depots for the supply of raw material and for the purchase and sale of finished goods from cottage and small industries and project run by the Board;
- (s) introducing better means of production and new designs, including proto-types;

1 Subs, for the word “the Governor” by Khyber Pakhtunkhwa Act No. VII of 1975.

(t) formulating and implementing schemes for training of artisans and small industrialists;

(u) arranging for grading and standardization of products of small and cottage industries;

(v) working out entitlements of raw materials of cottage small and other industries;

(w) sanctioning balancing modernizing etc, of cottage small and other industrial units in accordance with the instruction of Government or in exercise of powers that may be delegated in this behalf by Government; and

(x) undertaking such other functions measures or steps as may be directed by Government

29. The Board shall be deemed to a bank for the purposes of the Banker's Books Evidence Act, 1891.

CHAPTER IV. Finance.

30. (1) There shall be a fund to be known as the "Board Fund" vested in the Board which shall be utilized by the Board to meet charges in connection with its functions under this Act, including salaries and other remuneration of the Directors and employees of the Board.

(2) The board Fund shall consist of.-

(a) grants made by Government;

(b) Revolving fund placed by Government at the disposal of the Board for preparing feasibility studies for the schemes;

(c) loans obtained from Government;

(d) grants made by the local bodies;

(e) sale proceeds of raw materials and finished goods;

(f) loans obtained by the Board from the Scheduled Banks;

(g) foreign loans obtained under the provision of section 27;

(h) charges for the plots of land and other facilities provided on the small industries estate;

(i) all other sums received by the Board.

Board deemed
to be a Bank for
purposes of

Act. XVIII of
1891.

Board Fund.

21. Board shall be deemed to be a local authority under the Local Authorities Loans Board to be deemed to be a

Act, 1914 (Act No. IX of 1914), for the purposes of borrowing money under the said Local authority Act, and the making and execution of any scheme under this Act shall be deemed to be a work which such authority is legally authorized to carry out.

Custody and

investment of
Board Fund.

32. (1) All moneys at the credit of the Board shall be kept as 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 Trust Act 1882, (Act No. II of 1882), or placing them in fixed deposit with a bank approved by Government or in such other manner as may be approved by Government.

33. The Board shall maintain complete and accurate books of accounts in such Maintenance of forms as may be prescribed. Accounts.
Audit

34. (1) The accounts of the Board shall be audited by auditors who shall be Chartered Accountants with the meaning of the Chartered Accountants Ordinance, 1961 (Ord. No. X of 1961), and appointed with the approval of Government on such remuneration as may be fixed and such remuneration shall be paid by the Board.

(2) Notwithstanding the audit provided for in subsection (1) [Government], shall appoint a special auditor to audit or cause to be audited the accounts of the Board and to hold or cause to be held a test audit of the undertakings owned by the Board, and in the event of test audit disclosing irregularities the special auditor may carry out or cause to be carried out such further audit as he considers necessary.

35. (1) The Board shall furnish to Government as far as possible within four months of the close of the financial year an audited statement in the prescribed form of its assets and liabilities of commercial undertakings and transactions as they stand at the close of that year together with a profit and loss account for the year and full report on the working of the Board during the year, and copies of the said statement, account and report shall be published in the Official Gazette.

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

CHAPTER - V

Miscellaneous.

1 Subs. for the words "the Governor" by Khyber Pakhtunkhwa Act No. VII of 1975.

36. No provisions of law relating to the winding up of companies and Companies and corporations shall apply to the Board and the Board shall not be wound up except by order of the [Government] and in such manner as [it] may direct.

37. Government may by notification in the Official Gazette, make rule for carrying out purposes of this Act.

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

- (a) the manner of keeping accounts of the Board;
- (b) the recruitment of officers, advisers and employees of the Board;
- (c) the terms and conditions of service of the officers, advisers and employees of the Board, including the functions of the advisers;
- (d) the borrowing by the Board;
- (e) the date by which, and the form in which the annual budget statement of the Board shall be submitted in each year;
- (f) the procedure for appropriation and re-appropriation of moneys at the credit of the Board;
- (g) the form and manner in which and the authorities to whom returns, report or statements shall be submitted; and
- (h) such other matters relating to the administration of the affairs of the Board as Government may think fit to regulate by rules.

38. (1) The Board may, with the previous approval of Government. Make regulations to provide for all matters not Provide for in the rules, for which provisions is necessary or expedient for carrying out the purposes of this Act and the rules.

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

- (a) meetings of the Board;
- (b) investment of the Board Funds;

' Subs. for the words "the Governor" by Khyber Pakhtunkhwa Act No.VII of 1975.

2 Subs. *ibid*, for the word "he".

Winding up.

Power to make rules.

Powers to make

Regulations.

(c) sale or transfer of industrial units and other immovable property of the Board;

(d) the constitution, powers and terms and conditions of committees constituted under section 14;

(e) building by-laws agreement and lease deeds pertaining to small industrial estates;

(f) conditions subject to which the Board may grant loans; and.

(g) form and manner of determining the sufficiency of security taken for loans or for guaranteeing the loans.

39, As from coming into force of this Act.

(a) all business, projects, undertaking and proper ties of the Corporation transferred to the '[Khyber Pakhtunkhwa] by under or by virtue of the Federal Law shall pass by succession to Government or the Board as the case may be;

(b) all debts, liabilities and obligations incurred, contract entered into, and all matters and things engaged to be done by with or for, and all suits and other proceedings by or against the Corporation shall in so far as they stand transferred to the *[Khyber Pakhtunkhwa], under or by virtue of the Federal law, be deemed to be debts, liabilities and obligations incurred, contracts entered into or, as the case may be matters and things engaged to be done by with or for, and suits and other proceedings by or against Government or the Board as the case may be;

(c) all officers and servants of the Corporation transferred to the *[Khyber Pakhtunkhwa] by or under the Federal Law stand transferred to, and be appointed by, Government or the Board, as the case may be, in such manner as the "[Government] may by order determine; provided that such

persons shall, notwithstanding the provisions of section 12, be appointed

. Subs.vide the Khyber Pakhtunkhwa Act, IV of 2011.

. Subs.vide the Khyber Pakhtunkhwa Act, IV of 2011.

. Subs.vide the Khyber Pakhtunkhwa Act, IV of 2011.

-Subs. for the words "the Governor" by Khyber Pakhtunkhwa Act No.VII of 1975.

Succession.

on such terms and conditions as may be determined by or under Federal law.

Explanation I.- In this section and section , 40, “Corporation” means the West Pakistan Small Industries Corporation dissolved under the West Pakistan Small Industries Corporation (dissolution) Ordinance, 1972, (Ord. No. XXIV of 1972).

Explanation I.- In this section “Federal law” means the West Pakistan Small Industries Corporation (Dissolution) Ordinance, 1972, (Ord. No XXIV of 1972).

40. For the purposes of carrying into effect the provisions of this Act, the [Government] may in such manner as “[it] may consider necessary or expedient provide for -

(a) entrusting to a person the functions of the Board till such time the Board is established under this Act;

(b) the removal of difficulties arising out of or in connection with the dissolution, or the transfer of assets and liabilities, of the Corporation;

(c) other matters supplemental or incidental to, or consequential upon the dissolution of the Corporation.

41. (1) The*[Khyber Pakhtunkhwa] Small Industries Development Board Ordinance, 1927 (N. W. F. P. Ord. No. XVI of 1972) is hereby repealed.

(2) notwithstanding the repeal of the “[Khyber Pakhtunkhwa] Small Industries Development Board Ordinance, 1972, everything done, action taken Board established, obligation or liabilities incurred rights assets or property acquired, persons appointed or authorized, jurisdiction or powers conferred or notification or order issued under any of the provisions of the said Ordinance or rules or regulations made thereunder, if not inconsistent with the provisions of this Act or rules or regulations made under this Act, shall be continued and, so far as may be, be deemed to have been respectively done, taken, established incurred, accrued, appointed or authorized conferred and issued under this Act, and any document referring to any of the provisions of the said ordinance rules or regulations, shall so far as may be, be considered to refer to the corresponding provisions of this Act or rules or regulations made under this Act.

' Subs. for the words “the Governor” by Khyber Pakhtunkhwa Act No.VII of 1975.

> Subs: ibid for the word he “he”.

3, Subs. vide the Khyber Pakhtunkhwa Act, IV of 2011.

4. Subs.vide the Khyber Pakhtunkhwa Act, IV of 2011.

Supplemental power.

Repeal and
Saving.