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EXTRAORDINARY

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PART I

Acts, Ordinances, President's Orders and Regulations

SENATE SECRETARIAT

Islamabad, the 14th May, 2011]

No. F. 9(36)/2010-Legis—The following Act of Majlis-e-Shoora

(Parliament) received the assent of the President on 10th May, 2011, is hereby published for general information: —

ACT NO. XII OF 2011

An Act to provide for the reorganization and conversion of the Industrial Development Bank of Pakistan into a public limited company

[It is hereby enacted as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Industrial Development Bank of Pakistan (Reorganization and Conversion) Act, 2011.

(2) It extends to the whole of Pakistan.

{3} It shall come into force at once.

(127)

[397 (11)/Ex. Gaz] Price : Rs,5.00

THE GAZETTE OF PAKISTAN, EXTRA., MAY 14, 2011 [Part 1

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

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“assets” means rights and powers of every description and includes all properties, movable or immovable, tangible or intangible, mortgages, charges and claims in the name of the IDBP, as the case may be;

“Company” means the Industrial Development Bank Limited to be established and incorporated in accordance with section 3;

“contracts” means all contracts, agreements, bonds, guarantees, indemnities, representations, obligations, undertakings and other legal documents and instruments of every description executed by or on behalf of IDBP, as the case may be, including employment, investment, sales and financial contracts with whomsoever;

“effective date” means the date specified in the order issued under section 5;

“[DBP” means the Industrial Development Bank of Pakistan established under the Industrial Development Bank of Pakistan Ordinance, 1961 (XXXI of 1961);

“liabilities” means all liabilities lawfully incurred by IDBP, as the case may be, and includes duties and obligations of every kind imposed

thereon;

“order” means an order made by the Federal Government under subsection (1) of section 5;

“proceedings” includes any suit, arbitration or other legal or administrative proceedings, applications, appeals, awards, reviews or revisions filed or pending;

“rules” means the rules made under this Act;

“transfer” means the transfer of assets, contracts, liabilities, proceedings and undertakings of IDBP, as the case may be, to the Company; and

“undertakings” includes all projects, ventures and any other operations undertaken by IDBP, as the case may be, individually or collectively in collaboration with some other person.

Establishment of the Company, etc.—(1) As soon as may be, after

the commencement of this Act, the Federal Government shall establish a Company

to be known as the Industrial Development Bank Limited, limited by shares and cause it to be incorporated under the Companies Ordinance, 1984 (XLVI of 1984), with the principal object of taking over the business, functions, contracts, proceedings, undertakings, assets and liabilities of IDBP.

(2) No stamp duty or any other charges shall be payable by the Company under any law for the time being in force for the transfer and vesting of the assets, contracts, liabilities, proceedings or undertakings of IDBP to the Company or any shares or securities issued in favour of the shareholders or financiers of [DBP by the Company.

4. Company to be deemed a banking company.—(1) The Company shall be deemed to be a banking company for the purposes of the State Bank of Pakistan Act, 1956 (XXXII of 1956), Banking Companies Ordinance, 1962 (LVI of 1962) and any other law for the time being in force relating to banking companies until such time that the licence is granted to the Company under sub-section (2).

(2) Without prejudice to the provisions of sub-section (1), the Company shall apply to the State Bank of Pakistan, for a licence for permitting to carry on the business of banking in Pakistan in accordance with the provisions of section 27 of the Banking Companies Ordinance, 1962 (LVII of 1962), through the existing branches of IDBP,

5. 'Transfer and vesting of assets, contracts, liabilities, proceedings and undertakings.—(1) After the registration of the Company, the Federal Government shall by an order, published in the official Gazette, direct that all the assets, contracts, liabilities, proceedings and undertakings of IDBP stand transferred to and vest in the Company, on the date specified therein, on such terms and conditions as may be determined by the Federal Government in this behalf.

(2) The order issued under sub-section (1) shall, inter-alia, provide for—

(a) the transfer of all the assets, contracts, liabilities, proceedings and undertakings of IDBP to the Company;

(b) the allotment of shares or debentures of the Company to the shareholders, debenture-holders or bond-holders of IDBP in proportion to their shares, debentures, bonds or other securities in IDBP, as the case may be, after determining the net asset value of IDBP on the effective date,

(c) the dissolution of IDBP from the effective date;

(d) the transfer of guarantees issued in favour of the Company by the Government of Pakistan, a Provincial Government and other

government agencies such as Sarhad Development Board and Punjab Small Industries Corporation for repayment of loans from borrowers; and

(e) such incidental, consequential and supplemental matters as are necessary to secure the transfer of assets, contracts, liabilities, proceedings and undertakings under this Act;

(3) The value ascribed to the assets and liabilities transferred to, and vested in, the Company by the Federal Government under the order shall represent the fair net value of the assets for taxation, depreciation or any other purposes.

(4) Notwithstanding the provisions of section 146 of the Companies Ordinance, 1984 (XLVII of 1984), the Company shall, upon transfer, continue all business and undertakings of IDBP as were being carried on immediately prior to the effective date.

6. Continuation of service in the Company.—(1) All permanent employees and officers of IDBP, who were continuously in the service of IDBP for a period of one year or more immediately before the effective date, shall stand transferred to and become the employees of the Company as on the effective date on the same terms and conditions as were applicable to them before the effective date. The terms and conditions applicable to the retired employees of IDBP shall continue to apply to such retired employees.

(2) Notwithstanding anything contained in any law, contract, agreement or conditions of service no person transferred to the Company pursuant to sub-section (1) shall be entitled to any compensation as a consequence of transfer to the Company.

7. Contracts and proceedings. 1) All contracts subsisting or having effect, immediately before the effective date, to which IDBP may have been a party or beneficiary, shall be deemed to have been made by the Company and shall remain in force for all intents and purposes.

(2) All proceedings by or against or relating to IDBP pending on the effective date before any court, tribunal, arbitrator or any other authority shall be continued, prosecuted, defended, enforced and executed by or against the Company in the same manner and to the same extent as might have been continued, prosecuted, defended, enforced and executed by or against IDBP, as the case may be, and for the purposes of the proceedings under Industrial Development Bank of Pakistan Ordinance, 1961 (XXXI of 1961) the relevant provisions of Industrial Development Bank of Pakistan Ordinance, 1961 (XX XI of 1961) shall, mutatis mutandis, continue to apply to these proceedings notwithstanding the repeal of the Industrial Development Bank of Pakistan Ordinance, 1961 (XXXI of 1961).

8. Certain guarantees to remain in force.—Notwithstanding the repeal of the said Industrial Development Bank of Pakistan Ordinance, 1961 (XXXI of 1961) all guarantees given by the Government of Pakistan in favour of foreign and local institutions which extended loans to IDBP shall remain in force as though these guarantees were given on behalf of IDBP.

9, Bar of jurisdiction.—No court, tribunal, arbitrator or authority shall question or permit to be called in question, any transfer or order made, anything done or action taken or purported to be made, done or taken under this Act.

10, Indemnity—No suit, prosecution or other legal proceedings shall lie against the Federal Government, State Bank of Pakistan, IDBP, the Company or any other person for anything which is in good faith done or intended to be done under this Act or any rule or order made thereunder,

11. Act to override other laws, etc.—The provisions of this Act shall have effect notwithstanding anything contrary contained in any other law for the time being in force, or in any agreement, contract, decree, order or any other instrument whatsoever.

12. Power to make rules.—The Federal Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

13. Removal of difficulties.—If any difficulty arises in giving effect to any provision of this Act, the Federal Government may make such order, not inconsistent with the provisions of this Act, as may appear to it to be necessary, for the purpose of removing the difficulty:

Provided that no such power shall be exercised after the expiry of two years from the commencement of this Act.

14, Repeal.—(1) Immediately after the dissolution of IDBP in pursuance of clause (c) of sub-section (2) of section 5, the Industrial Development Bank of Pakistan Ordinance, 1961 (XX XI of 1961), shall stand repealed.

(2) This Act, save as is provided in sub-section (1) of section 3 and section 5, shall stand repealed after the expiry of a period of eighteen months from its commencement and, subject to sub-section (3), the Company shall continue to operate.

(3) The top management of the Company under section 6, as soon as may be possible after the commencement of this Act, shall make arrangements for a viable public private partnership or privatization of the Company.

15. Validation of actions, etc.—Anything done, actions taken, orders passed, instruments made, notifications issued, agreements made, proceedings initiated, processes or communication issued, powers conferred, assumed or exercised, by the Industrial Development Bank of Pakistan, (IDBP) or its officers on or after the 26th November, 2009 and before the commencement of this Act, shall be deemed to have been validly done, made, issued, taken, initiated, conferred, assumed, and exercised and provisions of the Act shall have, and shall be deemed always to have had, effect accordingly.

RAJA MUHAMMAD AMIN,  
Secretary.

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