

# THE REGIONAL DEVELOPMENT FINANCE CORPORATION ORDINANCE, 1985

ORDINANCE No. XXXII OF 1985

[5<sup>th</sup> May, 1985]

## **An Ordinance to provide for the establishment of the Regional Development Finance Corporation**

WHEREAS it is expedient to provide for the establishment of the Regional Development Finance Corporation, and for matters connected therewith or ancillary thereto;

AND WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the Proclamation of the fifth day of July, 1977, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance: -

**1. Short title, extent and commencement.**-(1) This Ordinance may be called the Regional Development Finance Corporation Ordinance, 1985.

(2) It extends to the whole of Pakistan, and also applies to the business of the Corporation transacted outside Pakistan and the persons conducting such business.

(3) It shall come into force at once.

**2. Definitions.** In this Ordinance, unless there is anything repugnant in the subject or context,-

- (a) "Board" means the Board of Directors instituted ;
- (b) "Borrower" means an enterprise to which a loan is given by or on the guarantee of, the Corporation;
- (c) "Chairman" means the Chairman of the Corporation ;
- (d) "Corporation" means the Regional Development Finance Corporation established under section 3 ;
- (e) "Director" means a Director of the Corporation ;
- (f) "District Judge" shall include an Additional District Judge and, in respect of areas there a District Judge does not have unlimited pecuniary jurisdiction in original civil suits, a High Court or a bench of a High Court exercising original civil jurisdiction;
- (g) "Industrial Development Bank of Pakistan" means the Industrial Development Bank of Pakistan established under section 3 of the Industrial Development Bank of Pakistan Ordinance, 1961 (XXXI of 1961) ;

- (h) "less-developed areas" means the North-West Frontier Province, the Northern Areas, Baluchistan, Azad Jammu and Kashmir, the Federally Administered Tribal Areas, and such other areas as may be declared by the Federal Government, by notification in the official Gazette, to be less developed areas ;
- (i) "Managing Director" means the Managing Director of the Corporation ;
- (j) "National Development Finance Corporation" means the National Development Finance Corporation established under section 3 of the National Development Finance Corporation Act, 1973 (XIII of 1973) ;
- (k) "Nationalized bank" means a bank as defined in the Banks (Nationalization) Act, 1974 (XIX of 1974) ;
- (l) "prescribed" means prescribed by rules ;
- (m) "regulation" means regulation made under this Ordinance ;
- (n) "rule" means rule made under this Ordinance ;
- (o) "short-term", "medium-term" and "long-term" used in relation to an advance, loan or credit made or granted by the Corporation, means an advance, loan or credit for such term as may, in each case, be prescribed by regulations ; and
- (p) "under-writing" means contracting with or without conditions to subscribe for stocks, shares, bonds, debentures or participation term certificates of an enterprise with a view to re-selling all or any of such stocks, shares, bonds, debentures or participation term certificates.

**3. Establishment of the Corporation.**-(1) On the coming into force of this Ordinance, there shall be established, in accordance with the provisions of this Ordinance, a Corporation to be called the Regional Development Finance Corporation.

(2) The Corporation shall be a body corporate having perpetual succession and a common seal, with powers, subject to the provisions of this Ordinance, to acquire, own and dispose of property and shall by the said name sue and be sued.

**4. Share capital of the Corporation.**-(1) The authorized share capital of the Corporation shall, in the first instance, be one hundred million rupees divided into one million ordinary shares of rupees one hundred each, of which not less than fifty per cent shall be contributed by the National Development Finance Corporation and the balance shall be open for subscription by the nationalized banks, the Industrial Development Bank of Pakistan and other financial institutions.

(2) The paid up capital of Corporation shall, in the first instance, be fifty million rupees, of which not less than fifty per cent shall be contributed by the National Development Finance Corporation and the balance shall be contributed by the nationalized banks and the Industrial Development Bank of Pakistan, as mutually agreed to.

(3) The Federal Government may, by notification in the official Gazette, increase the authorized share capital and paid up capital of the Corporation to such extent and in such manner as may be specified in the Notification.

**5. Offices and Branches.**-(1) Unless the Federal Government, by notification in the official Gazette, otherwise directs, the head office of the Corporation shall be at Islamabad.

(2) The Corporation may establish regional and other offices at such places as the Board may think fit.

**6. Direction and superintendence.** (1) The overall direction and superintendence of the affairs of the Corporation shall vest in the Board, which may exercise all such powers and do all such acts and things as may be exercised and done by the Corporation.

(2) In the performance of its functions, the Board shall act on business considerations and shall be guided on questions of policy by such directions as may from time to time be given to it by the Federal Government, which shall be the sole judge, as to whether a question is a question of policy.

(3) If the Board fails to carry out the instructions given to it under sub-section (2), the Federal Government may supersede the Board and appoint any person or body to function in place of the Board until a new Board is constituted in accordance with the provisions of this Ordinance and no such super session or appointment shall be questioned in any Court.

**7. Board.**-(1) The Board shall consist of the following Directors, namely:-

- (a) the Chairman;
- (b) six persons to be appointed by the Federal Government as follows:-
  - (i) one person serving under the Federal Government in the Finance Division ;
  - (ii) one person serving under each of Provincial Governments ;
  - (iii) one person from the other less-developed areas ;
- (c) a representative of the nationalized banks ;
- (d) a representative of the Industrial Development Bank of Pakistan; and
- (e) the Managing Director.

(2) No act or proceeding of the Board shall be invalid by reason only of the existence of any vacancy in, or defect in the constitution of, the Board.

**8. Chairman.**-(1) The Chairman of the National Development Finance Corporation shall be the Chairman of the Corporation, *ex-officio*.

(2) A casual vacancy in the office of the Chairman shall be filled in by the Federal Government by the appointment of such person as it may deem fit ; and the person so appointed shall hold office until the Chairman enters upon his office.

**9. Managing Director.**-(1) The Managing Director shall be appointed by the Federal Government on such salary and terms and conditions as the Federal Government may determine.

(2) The Managing Director shall unless the Federal Government otherwise directs, hold office for a term of three years which the Federal Government may, from time to time, extend.

(3) The Managing Director shall be the chief executive of the Corporation and shall perform such functions as are required by this Ordinance and the rules and regulations made thereunder to be performed by him or as may, from time to time, be assigned to him by the Board.

**10. Qualifications and disqualifications of Directors.** No person shall be, or shall continue to be a Director who-

- (a) is or at any time has been adjudicated an insolvent
- (b) is found to be a lunatic or becomes of unsound mind ;
- (c) is or has at any time been convicted for any offence which, in the opinion of the Federal Government, is an offence involving moral turpitude;
- (d) without leave of absence from the Board, absents himself from all the meetings of the Board for a continuous period of six months or, if less than three meetings are held within such period, from three consecutive meetings of the Board ;
- (e) is a salaried official of the Corporation, other than the Managing Director ; or
- (f) has any financial or other interest in any business to be financed by the Corporation.

**11. Executive Committee.**-(1) The Board may constitute an Executive Committee consisting of the Managing Director and two other Directors to assist it in the performance of its functions under this Ordinance.

(2) The members of the Executive Committee other than the Managing Director shall hold office for such period as may be determined by the Board.

(3) Decisions of the Executive Committee, other than those which relate to matters specified by the Board in this behalf, shall be laid before the Board for approval.

(4) Subject to the general or special directions of the Board, the Executive Committee may deal with any matter within the competence of the Board.

**12. Meetings of the Board and Committee.**-(1) Four directors shall form the quorum for a meeting of the Board.

(2) Subject to sub-section (1), the meetings of the Board and the Executive Committee shall be held in such manner as may be prescribed;

Provided that, until rules are made in this behalf, such meetings shall be called by the Chairman or, in the absence of the Chairman by the Managing Director, and shall be presided at by the Chairman or, as the case may, the Managing Director.

(3) The minutes of every meeting of the Board and the Executive Committee shall be maintained in such manner as the Board may determine.

**13. Annual General Meetings of the Shareholders.**-(1) The annual general meeting of the shareholders shall be held within a period of three months of the closing of annual accounts every year, at such time and place as may be fixed by the Board;

Provided that the first annual general meeting of the shareholders shall be held at Islamabad.

(2) The Board shall submit at the annual general meeting for consideration of shareholders a balance-sheet and a profit and loss account of the Corporation for the financial year.

**14. Fee for attending meetings.** The Directors shall be paid such fees for attending the meetings of the Board and the Executive Committee as may be prescribed.

**15. Secrecy and fidelity.** No Director shall assume his office until he has made such declaration of secrecy and fidelity as may be prescribed.

**16. Indemnity of Directors.** A Director shall not be personally responsible for the acts of any other Director or of any officer or servant of the Corporation or for any loss or expenditure resulting to the Corporation by reason of the insufficiency or deficiency in value of or title to any property or security acquired or taken on behalf of the Corporation, or for anything done by him in good faith in the discharge of his duties.

**17. Business which the Corporation can transact.**-Subject to the rules and regulations, if any, the Corporation may carry on, transact or do the several kinds of business and acts hereinafter specified, namely:-

- (a) promotional work in less-developed areas such as identification and preparation of projects for investment ;
- (b) to finance commercially viable projects in less-developed areas paying special attention to Mining sector or to such other sector as may be directed by the Federal Government, through purchase of shares, medium and long-term loans, bridge, finance and short-term loans such as working capital as well as providing guarantee for loans and advances, underwriting of stocks bonds debentures and participation term certificates and other such instruments as may be decided by the Board;

*Explanation.*- In this clause, "commercially viable projects" does not include hydel generation projects and plantation style agricultural activities, such as, vegetable farming, fruit orchards and dairy farms, but includes production of handicrafts through sub-contracting, workshops in rural areas to meet local engineering needs and the agro-based industries.

- (c) financing the construction of internal roads in mineral bearing areas (only if these are a part of the project) ;
- (d) financing the establishment of machinery pool for mine owners, to be set up independently or in association with banks and other organizations ;
- (e) to formulate and implement schemes to channelize home remittances towards commercially viable projects in less-developed areas on behalf of Pakistanis abroad ;
- (f) to accept and furnish any lien, charge, hypothecation, or mortgage on any tangible or intangible movable or immovable property or assets in transacting its business ;
- (g) to purchase or otherwise acquire, own, sell, transfer and exchange any tangible and intangible, movable or immovable property or assets in transacting its business ;
- (h) to acquire, retain, or dispose of assets of any type which may in any way come into the possession of the Corporation in satisfaction or part satisfaction of its claims ;
- (i) to acquire ; maintain and transfer its residential and business premises ;
- (j) to borrow money for the purpose of its business and to give security for money so borrowed by pledging assets or otherwise.
- (k) to enter into agreements and contracts and execute such documents as may be considered necessary for transacting its functions ;
- (l) to accept deposits of fixed maturities ;
- (m) to deposit its funds with a banking company in current and short term or any other type of deposit ;
- (n) to invest its surplus funds in securities in the manner prescribed ;
- (o) to open letters of credit and establish correspondent relationships abroad for import of machinery or equipment against foreign currency credits or loans and cash foreign exchange allocation which may be made available by the Federal Government ;
- (p) to receive and pay commission, fees and brokerage in connection with its business ; and
- (q) generally to do all such matters and things as may be incidental or subsidiary to the undertaking of any of the aforesaid business and any other functions, not inconsistent with the purposes of this Ordinance determined by the Board.

**18. Power to impose conditions.**-(1) For the purpose of transacting any business under this Ordinance with any borrower, the Corporation may impose such conditions as it may consider necessary or expedient for protecting its interest and securing that its guarantee, underwriting, loan, subscription or other aid is put to such use by the borrower as the Corporation has agreed to.

(2) Any condition imposed on the borrower under sub-section (1) shall valid and shall, notwithstanding anything contained in any other law for the time being in force, be enforceable against such borrower.

**19. Borrowing power.**-(1) The Corporation may borrow from the Federal Government, and with the prior approval of the Federal Government, also from the State Bank of Pakistan or any other lending agency or institution.

(2) The Corporation may issue and sell bonds, debentures and prescribed instruments, both in rupees and foreign currencies.

(3) The Federal Government may, at the request of the Corporation, guarantee as to the repayment of principal and payment of interest or return any sums borrowed by the Corporation under sub-section (1) or any bonds, debentures or other instruments issued by the Corporation with the prior approval of the Federal Government.

(4) Notwithstanding anything contained in the Trust Act, 1882 (II of 1882), the Insurance Act, 1938 (IV of 1938) or the Banking Companies, Ordinance, 1962 (LVII of 1962), the shares and such of the bonds, debentures and any other instruments of the Corporation as have been guaranteed by the Federal Government under sub-section (3) shall be deemed to included among the securities enumerated in section 20 of the Trust Act, 1882 (II of 1882), and to be approved securities for the purpose of the Insurance Act, 1938 (IV of 1938), and the Banking Companies Ordinance, 1962 (LVII of 1962).

(5) The aggregate of the sums borrowed under sub-section (1) and the sums due on the bonds, debentures and other instruments issued under sub-section (2) and the contingent liabilities of the Corporation in respect of guarantee or underwriting agreements shall not at any time exceed twenty times the aggregate of the amount of the paid, up share capital and reserves of the Corporation.

**20. Powers to call for payment before agreed period.** Notwithstanding any agreement to the contrary, the Corporation may, by notice, require any borrower to which it has granted any loan, or any other person liable for payment of such loan, forthwith to repay the loan in full if :-

- (a) it appears to the Board that information false or misleading in any material particular has been given in the application for the loan ; or
- (b) there is a reasonable apprehension to the opinion of the Board that the borrower is unable to pay or discharge. its debts or liabilities or may go into liquidation ;  
or

- (c) the property pledged, mortgaged, hypothecated or assigned to the Corporation as security for the loan is not insured or kept insured by the borrower to the satisfaction of the Corporation or has, in the opinion of the Board, depreciated in value and further security to the satisfaction of the Board is not given ; or
- (d) without the permission of the Board, machinery or other equipment is removed from the premises of the borrower without being replaced; or
- (e) the loan or any part thereof is not being utilized for the purposes for which it was made or is found to have been utilized for other purposes; or
- (f) the property pledged, mortgaged, hypothecated or assigned to the Corporation as security for the loan, or any other security for the loan has, without the permission of the Corporation, been disposed of or charged, or otherwise alienated in any manner, by the borrower; or
- (g) in the opinion of the Board, the management or business of the borrower is not being conducted in a satisfactory manner or its share capital is being impaired; or.
- (h) for any other reason, it is necessary, in the opinion of the Board, to protect the interests of the Corporation.

**21. Special provisions for enforcement of claims by the Corporation.**-(1) Where the Corporation becomes entitled to require the immediate payment of any loan by reason of the breach of any condition of any agreement between the Corporation and a borrower to which the loan has been granted or any person liable for repayment of that loan, or where the borrower fails to repay the loan in terms thereof or in compliance with the notice under section 22, an officer of the Corporation generally or specially authorised by the Board in this behalf may apply to the District Judge within the local limits of whose jurisdiction the borrower carries on the whole or a part of his business, or the officer or branch of the Corporation from which the loan was disbursed is situated, for one or more of the following reliefs, namely:-

- (a) an order for the sale of the property pledged, mortgaged hypothecated or assigned to the Corporation as security for the loan and any other properties, disclosed or undisclosed, of the borrower or the properties, disclosed or undisclosed, of person liable for the repayment of the loan, including guarantors;
- (b) an order for the transfer of the management of the borrower to the Corporation or its nominee, provided that, when such management is so transferred to the Corporation, the Corporation shall be deemed to be the agent of the borrower on its behalf and all actions taken by the Corporation on such transfer shall be deemed to be those of the borrower; or
- (c) an injection *ad interim* where there is apprehension that machinery or equipment may be removed from the premises or the building or land may be sold or otherwise transferred by the borrower without the permission of the Corporation.

(2) An application under sub-section (1) shall state particulars of the loan and the same claimed in respect of the same, particulars of the borrower and any other person or persons liable for the repayment of the loan and such other particulars as may be prescribed.

(3) Where the application is for the relief mentioned in clause (a) of sub-section (1), the District Judge shall-

- (a) pass an order *ad interim* attaching such properties referred to in clause (a) aforesaid as are likely in the estimation of the Court to fetch, on being sold, an amount equivalent to the sums claimed by the Corporation together with the posts of the proceedings taken under this section; and
- (b) pass an order appointing one or more Receivers, approved by the Corporation, of the properties referred to in clause (a) aforesaid wherein the application filed by the Corporation such remedy is specifically sought.

(4) The Corporation shall have the option to seek an order under clause (b) of subsection (3) in the first instance or at any subsequent time prior to grant of the relief mentioned in clause (a) of sub-section (1).

(5) Where the application is for the relief mentioned in clause (b) or clause (c) of sub-section (1), the District Judge shall grant an injunction *ad interim* restraining the borrower or the person liable for repayment of the loan from transferring any of the properties, including machinery, equipment and stocks, building and lands without the permission of the Corporation and shall issue a notice calling upon the borrower and the persons liable for repayment of the loan to show cause on a date to be specified in the notice why the management of the borrower should not be transferred to the Corporation or the injunction be not confirmed.

(6) Before passing any order under sub-section (3) or sub-section (5), the District Judge may, if he thinks fit, examine the person making the application.

(7) At the time of passing an order sub-section (3), the District Judge shall issue to the borrower a notice accompanied by a copy of the order, the application and evidence, if any, recorder by him and calling upon him to show cause on a date to be specified in the notice why order of attachment *ad interim* should not be made absolute or the injunction be not confirmed.

(8) If no sufficient cause is shown on or before the date specified in the notice under sub-section (5) or sub-section (7), the District Judge shall forthwith make the order *ad interim* absolute and direct the sale of the attached property or transfer the management of the borrower to the Corporation or confirm the injunction.

(9) If sufficient cause is shown the District Judge shall proceed to investigate, on an urgent basis, the claims of the Corporation and provisions of the Code of Civil Procedure, 1908 (Act V of 1908), shall as far as practicable apply to such proceedings.

(10) On completing an investigation under sub-section (9) the District Judge shall pass an order-

- (a) confirming the order of attachment or directing the sale of the attached property, or
- (b) varying the order of attachment so as to release a portion of the property from attachment and directing the sale of the remainder of the attached property, or
- (c) releasing the property from attachment, if he is satisfied that it is not necessary in the interest of the Corporation to retain it under attachment, or
- (d) confirming or vacating the injunction, or
- (e) transferring or refusing to transfer the management of the borrower to the Corporation:

Provided that, when making any order under clause (c), the District Judge may make such further order as he thinks necessary to protect the interests of the Corporation and may apportion the cost of the proceedings in such manner as he thinks fit:

Provided further that, unless the Corporation intimates to the District Judge that it will not apply against any order releasing any property from attachment, such order shall not be executed until the expiry of the period mentioned in sub-section (12) or if an appeal is preferred, unless the High Court otherwise directs, until the appeal is disposed of.

(11) An order under this section for the attachment or sale of property shall be carried into effect as far as may be in the manner provided in the Code of Civil Procedure, 1908 (Act V of 1908), for the attachment or sale of property in execution of a decree as if the Corporation were the decree-holder.

(12) Any party aggrieved by an order under subsection (8) or subsection (10) may, within thirty days from the date of the order, appeal to the High Court, or where the order is of a Judge of a High Court exercising original civil jurisdiction, to the Courts to which an appeal from a judgment of such Judge lies, and upon such appeal the appellate Court may, after hearing the parties, pass such orders as it thinks proper.

(13) Nothing in this section shall be construed, where proceedings for liquidation in respect of the industrial concern have commenced before an application is made under subsection (1), as giving the Corporation any preference over other creditors of the borrower not conferred on it by any other law for the time being in force.

**22. Special provisions relating to limitation.**—(1) Notwithstanding anything contained in the Limitation Act, 1908, (IX of 1908), or any other law for the time being in force, for the purposes of computing the periods of limitation for the enforcement of any claims or for the recovery of any money due to the Corporation in pursuance of loans granted, whether by way of suits or applications for recovery of money or by way of mortgage suits or by way of enforcement of any rights in pursuance of the provisions of this Ordinance by the Corporation against borrower or persons liable for repayment of the loans, the periods of limitation and methods of computation thereof prescribed in the Schedule shall apply.

(2) Section 5 of the Limitation Act, 1908 (IX of 1908), shall apply to an appeal or application under this Ordinance.

**23. Rights of Corporation in cases of default.**—(1) Where any borrower which is under a liability to the Corporation under an agreement makes any default in payment of otherwise fails to comply with the terms of its agreement with the Corporation, the Corporation may, notwithstanding anything contained in section 21 take over the management of the borrower, and may sell or realize any property pledged, mortgaged hypothecated or assigned by the borrower to secure its liability to the Corporation.

(2) Any transfer of property made by the Corporation in exercise of its powers of sale or realization under subsection (1) shall vest in the transferee all rights in or to the property transferred as if the sale had been made by the owner of the property.

(3) The Corporation shall have the same rights and powers with respect to goods manufactured or produced wholly, or partly from goods forming part of any security held by it as it has with respect to the original goods.

(4) Where the Corporation takes over the management of the borrower under subsection (1), it shall be deemed to be the agent of such borrower for the purposes of suits by or against the borrower.

**24. Recovery of Corporation's dues.**— Without prejudice to the provisions of sections 21 and 23, all sums due to the Corporation shall be recoverable as arrears of land revenue:

Provided that no sum shall be so recovered unless fifteen days' notice has first been given by the Corporation to the debtor that the sum will be so recovered.

*Explanation 1.*— In this section, "debtor" includes the borrower and any other person liable for the repayment of any loan or other sum due to the Corporation.

*Explanation 2.*— For the purposes of this section, the Corporation shall issue a certificate stating the sum due to the Corporation from the debtor, whether under any agreement or other document or otherwise howsoever, as at any given date and such certificate shall be conclusive evidence of the sum due to the Corporation and be treated as final and binding accordingly.

**25. Delegation of powers.** The Board may for the purpose of ensuring efficient functioning of the Corporation and facilitating transaction of its daily business, by a resolution, delegate to the Chairman or the Managing Director or any other officer of the Corporation, subject to such conditions and limitations, if any, as may be specified therein, such of its powers and duties under this Ordinance as it may deem necessary.

**26. Officers and servants.** The Corporation may appoint or employ such officers and servants as it considers necessary for the efficient performance of its functions, on such terms and conditions as may be laid down by regulations.

**27. Offences.** Any person who—

- (a) in an application for the grant of a loan gives false or misleading information relating to a matter which is material for the purpose of deciding the application or wilfully makes a false statement or knowingly permits any false statement to be made, or to remain, in any bill of lading, warehouse receipt or other document of title or any other document given to the Corporation by way of security in respect of any financial and sought or granted under this Ordinance; or
- (b) diverts or applied the amount of the- loan granted to him to a purpose other than the purpose for which it was granted; or
- (c) intentionally destroys, or reduce, the value of the property on the security of which a loan was granted to him or, without the prior approval of the Corporation in writing or otherwise than in accordance with the terms of such approval; transfer such property or any part thereof shall, without prejudice to any other action which may be taken against him under this Ordinance, be punishable with imprisonment for a term which may extend to three years.

(2) No Court shall take cognizance of an offence punishable under subsection (1) except upon a complaint in writing made by the Corporation or an officer of the Corporation authorized by it in this behalf.

**28. The Corporation and its officers to be public officers.**— (1) For the purposes of Article 7 of the Qanun-e-Shahadat, 1984, and the provisions of Part IV of the Code of Civil Procedure, 1908 (Act V of 1908), the provisions of rule 27 of Order V and rule 52 of Order XXI of the said Code, the Corporation and any officer of the Corporation in his capacity as such shall be deemed to be a public officer.

(2) The provisions of Article 6 of the Qanun-e-Shahadat, 1984, shall apply to the unpublished record of the Corporation and the Managing Director shall be deemed to be the officer or head of the Department concerned.

(3) Every person in the service of the Corporation shall be deemed to be a public servant within the meaning of section 21 of the Pakistan Penal Code (Act (XIV of 1960)).

**29. Disposal of profits.**— (1) The Corporation shall establish a Reserve Fund to which shall be credited such amount out of its annual net profit, not being less than fifty per cent of its annual net profit, as may be determined by the Board.

(2) The minimum appropriation of profits to the Reserve Fund fixed under subsection (1) shall apply till such time as the amount in the Reserve Fund equals the paid-up capital of the Corporation.

**30. Accounts and audit.**— (1) The financial year of the Corporation shall be determined by the Board.

(2) Subject to subsection (1), the Corporation shall maintain its accounts in such manner as may be prescribed.

(3) The Corporation shall submit to the Federal Government a copy of its audited annual accounts and the report to the Board on the operations of the Corporation for the preceding financial year, including the report on the performance of the borrowers to whom it has subscribed capital or advanced loans or on whose behalf it has undertaken any guarantee.

(4) The accounts of the Corporation shall be audited by two auditors who are chartered accountants within the meaning of the Chartered Accountant Ordinance, 1961 (X of 1961), appointed by the Corporation with the prior approval of the Federal Government.

**32. Corporation not to be a Banking Company.** The Corporation shall not be deemed to be a banking company for the purposes of the Banking Companies Ordinance, 1962 (LVII of 1962), or any other law for the time being in force relating to banking companies.

**33. Returns.**— (1) The Corporation shall furnish in the prescribed form to the Federal Government at least once a year, or as frequently as the Federal Government may require, a classification of its loans and investments, and all loans guaranteed by it and underwriting agreements entered into by it.

(2) The Corporation shall furnish to the Federal Government within three months of the close of the financial year an audited statement in the prescribed form of its assets and liabilities as they stand at the close of that year together with a profit and loss account for the year and a report on the working of the Corporation during the year, and shall also cause the said statement, account and report to be published in the official Gazette.

**34. Liquidation of the Corporation.** The Corporation shall not be wound up save by order of the Federal Government, in such manner as it may direct.

**35. Power to make rules.** The Federal Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Ordinance.

**36. Power to make regulations.**— (1) The Board may make regulations to provide for all matters not required to be provided for by rules and provision for which is necessary or expedient for carrying out the purposes of this Ordinance.

(2) Where any provision of the regulations is inconsistent with any provision of the rules, the provision of the rules shall prevail.

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

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Omitted by Act 4 of 1999, s. 25.

**SCHEDULE**

[See SECTION 22 (1)]

[Limitation periods and computation thereof as per section 22(1)]

S.No.	Description of action/cause	Period of Limitation.	Time from which period being to run.
1	2	3	4
1.	For money payable for money lent.	6 years	When the loan is made.
2.	Under Order XXXVII of the Code of Civil Procedure, 1908.	6 years	When the debt becomes payable.
3.	On. a promissory note or bond payable by instalments which provides that, if default be made in payment of or on more instalments, the whole shall be due.	6 years	When the default is made unless where the payee or oblige waives the benefit of the provision, and thereafter when fresh default is made in respect of which there is no such waiver.
4.	On a bill of exchange payable at sight, or after sight, but not at a fixed time.	6 years	When the bill is presented.
5.	On a bill of exchange or promissory note payable at a fixed time after sight or after demand.	6 years	When the fixed time expires.
6.	Suit on a bill of exchange, promissory note or bond not herein expressly provided for.	6 years	When the bill, note or bond becomes payable.
7.	For compensation for breach of a promise to do anything at a specified time, or upon the happening of a specified contingency.	6 years	When the time specified arrives or the contingency happens.
8.	Upon any contract to indemnify.	6 years	When the Corporation is actually to be indemnified
9.	For compensation for the breach of a contract in writing registered.	9 years	When the period of limitation for a suit brought on a similar contract not registered would 'begin to run.
10.	To enforce payment of money charged upon immovable property.	15 years	When the money becomes dues.
<i>Explanation.</i> —For the purposes hereof advances secured by mortgage by deposit of title deeds shall be deemed to be money charged upon immovable property.			
11.	Action of cause for which no period of limitation is herein provided.	9 years	When the right to sue or of recovery accrues.