



THE INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN (REORGANIZATION AND CONVERSION) ACT, 2011



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THE INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN (REORGANIZATION AND CONVERSION) ACT, 2011

ACT No. XII of 2011

[14th May, 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.

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

- (a) "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;
- (b) "Company" means the Industrial Development Bank Limited to be established and incorporated in accordance with section 3;
- (c) "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;
- (d) "effective" date means the date specified in the order issued under section 5;
- (e) "IDBP" means the Industrial Development Bank of Pakistan established under the Industrial Development Bank of Pakistan Ordinance, 1961 (XXXI of 1961);
- (f) "liabilities" means all liabilities lawfully incurred by IDBP, as the case may be, and includes duties and obligations of every kind imposed thereon;
- (g) "order" means an order made by the Federal Government under sub-section (1) of section 5;
- (h) "proceedings" includes any suit, arbitration or other legal or administrative proceedings, applications, appeals, awards, reviews or revisions filed or pending;
- (i) "rules" means the rules made under this Act;

- (j) "transfer" means the transfer of assets, contracts, liabilities, proceedings and undertakings of IDBP, as the case may be, to the Company; and
- (k) "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.

3. 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, by shares and cause it to be incorporated under the Companies Ordinance, 1984 (XLVII 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 or IDBP 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, (XXXIII of 1956) Banking Companies Ordinance, 1962 (LVII of 1962.), and any other law for the time being in force relating to banking companies until such time that the license 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 license 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