

THE PUNJAB AGRICULTURAL DEVELOPMENT AND SUPPLIES CORPORATION ACT, 1973

(XXI OF 1973)

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¹THE PUNJAB AGRICULTURAL DEVELOPMENT AND SUPPLIES CORPORATION ACT, 1973

(XXI of 1973)

[15th December, 1973]

An

Act

to provide for the establishment of an Agricultural Development and Supplies Corporation in the Province of the Punjab.

Preamble.— WHEREAS it is expedient to establish an Agricultural Development and Supplies Corporation for the purpose of increasing agricultural production in the Punjab and to succeed to the business, projects, undertakings and properties of the Supply Wing of the defunct West Pakistan Agricultural Development Corporation to the extent such business, projects, undertakings and properties stand transferred to the Province of the Punjab on the dissolution of the West Pakistan Agricultural Development Corporation in pursuance of the West Pakistan Agricultural Development Corporation (Dissolution) Order, 1972 (P.O. No.5 of 1972);

It is hereby enacted as follows: —

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.— (1) This Act shall be called the Punjab Agricultural Development and Supplies Corporation Act, 1973.

(2) It shall extend to the whole of the Province of the Punjab.

(3) It shall come into force at once.

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

(a) “Adviser” means Adviser of the Corporation, other than the Chairman or Member;

(b) “Board” means the Board of Members and the Chairman of the Corporation;

(c) “Chairman” means the Chairman of the Board and includes any person for the time being discharging the functions of the Chairman;

¹ This Act was passed by the Punjab Assembly on 3rd December, 1973; assented to by the Governor of the Punjab on 15th December, 1973; and, published in the Punjab Gazette (Extraordinary), dated 15th December, 1973, pages 1751-C to 1751-P.

- (d) "Corporation" means the Punjab Agricultural Development and Supplies Corporation, established under section 3 of this Act;
- (e) "employee" means, an employee of the Corporation;
- (f) "Government" means the Government of the Punjab;
- (g) "Managing Director" means the Managing Director of the Corporation and includes any person for the time being discharging the functions of the Managing Director;
- (h) "Member" means a member of the Board and includes its Chairman and Managing Director;
- (i) "Officer" means an officer of the Corporation, other than the Chairman or Member;
- (j) "prescribed" means prescribed by rules or regulations;
- (k) "regulations" means regulations made under this Act; and
- (l) "rules" means rules made under this Act.

CHAPTER II

CONSTITUTION OF THE CORPORATION

3. Constitution of the Corporation.— (1) As soon as may be, after the commencement of this Act, there shall be established a Corporation to be called "The Punjab Agricultural Development and Supplies Corporation".

(2) The Corporation shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire and hold property, both movable and immovable, and shall by the said name sue and be sued.

(3) The Head Office of the Corporation shall be at Lahore.

4. Management.— (1) The administration and management of the Corporation and its affairs shall vest in a Board which may exercise powers and do all acts and things that may be exercised or done by the Corporation in accordance with the provisions of this Act.

(2) The Board, in discharging its functions, shall act on commercial and national considerations except that it shall be bound to carry out such directions as the Government may give to it from time to time.

(3) The Government may suspend the execution of any such resolution or order of the Board as, in the opinion of Government, contravenes the provisions of this Act, the rules or regulations framed thereunder or the directions mentioned in sub-section (2) or prohibits 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 the Government may direct.

5. Board.— (1) Subject to the provisions of sub-section (2), the Board shall consist of—

- (a) Minister for Agriculture, Government of Punjab Chairman.

the Punjab_____

- (b) Chairman, Punjab Planning and Development Board, Government of the Punjab Member.
- (c) Secretary, Agriculture Department, Government of the Punjab Member.
- (d) Secretary, Finance Department, Government of the Punjab Member.
- (e) Managing Director, Punjab Agricultural Development and Supplies Corporation Member/Secretary of the Board.
- (f) Three non-official members to be nominated by Government, two of whom shall be from the farming community and the third will be a chartered accountant. Members.

(2) Government may alter, increase or decrease the membership of the Board as and when it considers necessary.

6. Managing Director.— (1) Government shall appoint a Managing Director of the Corporation who shall be its chief executive.

- (2) The Managing Director shall—
 - (a) be a whole-time officer of the Corporation;
 - (b) perform such duties as may be prescribed or as the Board may assign to him;
 - (c) subject to the provisions of sections 8, 9 and 10, hold office as Managing Director for such term as may be provided in the contract of employment and subject as aforesaid—
 - (i) shall remain in office as Managing Director thereafter for three months or until a successor in that office is appointed, whichever is earlier;
 - (ii) may be appointed to hold the said office for such further term as Government may, with his consent determine;
 - (d) receive such salary and allowances as Government may determine; and
 - (e) on appointment, notify to Government, the movable and immovable assets held by him including shares, etc. and also obtain prior permission of Government before acquiring any property and shares during the term of his office.

7. Term of Office of nominated members.— Subject to the provisions of sections 8, 9 and 10, a Member nominated under clause (f) of sub-section (1) of section 5 shall hold office for such term, not exceeding three years, as may be determined by Government, and may be nominated thereafter for a further term or terms of such duration as Government may, in nominating thereto, determine.

8. Disqualifications of Managing Director and nominated members.— No person shall be appointed as Managing Director or nominated as Member or, as the case may be, shall continue as Managing Director or Member, who—

- (a) is, or at any time has been, convicted of an offence involving moral turpitude;
- (b) is, or at any time has been, adjudged insolvent;
- (c) is found a lunatic or becomes of unsound mind;
- (d) is, or at any time has been, disqualified for appointment in or dismissal from Government service;
- (e) is under the age of twenty-five years;
- (f) is not a citizen of Pakistan; or
- (g) has any pecuniary interest in any institution administered, run or controlled by the Corporation or directly or indirectly, or through a partner has any share or interest in any contract or employment with, by or on behalf of the Corporation or in any property, which, in his knowledge, is likely to benefit as a result of the operations of the Corporation.

9. Removal of Managing Director.— Government may, after affording him a reasonable opportunity to show cause, by order in writing, remove the Managing Director if he—

- (a) refuses or fails to discharge or becomes, in the opinion of Government, incapable of discharging his responsibilities under this Act;
- (b) has, in the opinion of Government, abused his position as Managing Director or Member;
- (c) has knowingly acquired or continued to hold, directly or indirectly, or through a partner, any share or interest in any contract or employment with, by or on behalf of the Corporation or in any property, which, in his knowledge, is likely to benefit or has benefitted as a result of the operations of the Corporation;
- (d) has, in the opinion of Government, violated the declaration of fidelity and secrecy provided under section 12; or
- (e) has absented himself from three consecutive meetings of the Board without the leave of Chairman.

10. Resignation by or removal of a nominated Member or the Managing Director.— Notwithstanding anything contained in this Act,—

- (a) a nominated member may, at any time before the expiry of his term of office, resign his office or be removed from office by Government; and
- (b) the Managing Director may, before the expiry of his term of office, resign or be removed from office according to the terms of his employment.

11. Appointment of officers etc., of the Corporation.— (1) The Corporation may appoint such officers, advisers and servants as it deems necessary for the efficient performance of its functions on such terms and conditions as may be prescribed:

Provided that the Corporation shall not be precluded from making any appointment on contract basis on such terms and conditions as it may deem fit.

(2) The Corporation shall appoint such officers, advisers and servants as may be transferred to it by Government on such terms and conditions as may be determined by Government.

12. Declaration of fidelity and secrecy.— (1) Every Member, adviser, officer and other employee of the Corporation shall, before entering upon his office, make such declaration of fidelity and secrecy as may be prescribed.

(2) Any adviser, officer or other employee of the Corporation, who, in the opinion of the Board or a person authorised by the Board in this behalf, has violated the declaration of fidelity and secrecy made by him under sub-section (1) shall be liable, after being given reasonable opportunity of showing cause against the action proposed to be taken with respect to him, be removed forthwith from his office.

13. Financial, technical and advisory Committees.— The Board may, in such manner as may be prescribed, constitute such financial, technical and advisory committees as may be deemed necessary for carrying out the purposes of this Act.

14. Immunity of the Managing Director and employees of the Corporation.— (1) Every Member, adviser, officer and employee of the Corporation shall be indemnified by the Corporation against all losses and expenses sustained or incurred by him in the discharge of his duties; save such losses and expenses as are sustained and incurred as a result of his own wilful act or default.

(2) The Managing Director shall not be personally responsible for the acts of any other member, adviser, officer or employee of the Corporation which he could not have reasonably prevented by the due exercise of his powers and functions under this Act and the rules and regulations made thereunder or anything done by him in good faith in execution of the duties of his office.

15. Delegation of powers.— (1) The Board may, by general or special order delegate to the Managing Director, a Member, officer or employee of the Corporation any of its powers, duties or functions under this Act or the rules and regulations made thereunder, subject to such conditions as it may deem fit to impose.

(2) The Managing Director may likewise delegate to any officer any of his powers under this Act or the rules or regulation made thereunder, not being a power delegated to him by the Board under sub-section (1).

16. Meetings of the Board.— (1) The meetings of the Board shall be held at such time and place as may be prescribed:

Provided that at least one meeting shall be held during each quarter of the year:

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

(2) The quorum required for transacting business at a meeting of the Board shall be four:

Provided that for the budget meeting of the Board, one of the four members constituting the quorum shall be the Finance Secretary.

(3) Each member, including the Chairman, shall have one vote but in the event of equality of votes the Chairman shall have a casting vote.

(4) The meetings of the Board shall be presided over by the Chairman and in his absence by such member as may be nominated by him.

(5) No act or proceeding of the Board shall be invalid merely on the ground of the existence of any vacancy in the Board.

(6) The minutes of every meeting, stating among other things, the names of the members 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 payment of any fee, be open to inspection by any member.

(7) The Managing Director shall circulate to all concerned the copies of the minutes of every meeting.

(8) If Government so directs the Managing Director shall forward to it copies of all papers laid before the Board for consideration at a meeting.

(9) Government may require the Managing Director to furnish to it—

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

(b) a report on each matter; or

(c) a copy of any document in his charge, and the Managing Director shall comply with any such requisition without any undue delay.

17. Power of Board to associate other persons.— (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 to avail 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 relating to such purpose in the Board's meeting but shall not have a right to vote, and shall not be deemed to be a Member for that or any other purpose.

CHAPTER III

POWERS AND FUNCTIONS OF THE CORPORATION

18. Powers and functions of the Corporation.— (1) Subject to the provisions of this Act, the Corporation may take such measures, exercise such powers as it considers necessary or expedient, undertake any works, incur any expenditure, procure any plants, machinery or materials required for its use, and may enter into any contract and do all acts and things necessary for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers, the Corporation shall—

- (a) make suitable arrangements for the production, procurement from abroad and within the country from public or private agencies on consignment basis or otherwise, transport, storage and distribution to agriculturists and Agriculture Department of Government, of supplies such as seed, fertilizers, gypsum (calcium sulphate), plant protection equipment, pesticides, weedicides and agricultural machinery including tractors and tube-wells, its spare parts and implements (hereinafter in this Act referred to as the agricultural supplies):

Provided that—

- (i) some or any of the agricultural supplies may be distributed free or at subsidised rates with the previous approval in writing of Government;
- (ii) the agricultural supplies may be distributed either through private or public sectors or both; and
- (iii) Government shall have the right of making such arrangements as it may consider necessary for the procurement, transport, storage and distribution to agriculturists and Agriculture Department of Government, of all or any of the agricultural supplies and in case and to the extent Government decides to exercise or exercises such right, the Corporation shall not in that case and to that extent make such arrangements;
- (b) take over and manage, if so directed by Government such multiplication farms and fruit nurseries as are owned and managed by Government on such terms and conditions as may be specified by Government;
- (c) make suitable arrangements of multiplication of certified seed on private farms under its supervision;
- (d) make suitable arrangements for certification of seed in such manner as may be prescribed;
- (e) assist, encourage and promote the establishment of seed producing concerns;
- (f) assist, encourage and promote the manufacture of improved agricultural machinery and implements;
- (g) assist, encourage and promote the establishment of industries for formulating or manufacturing of insecticides, pesticides or fungicides;
- (h) be responsible for—
- (i) preparing and submitting Seed Laws to Government for promulgation;
- (ii) giving effect to Seed Laws;
- (iii) preparing and submitting schemes for distribution of fertilizers and pesticides to Government for purposes of approval and publication; and

(iv) giving effect to such approved schemes.

(3) In addition to the functions enumerated in sub-section (2), the Corporation may—

- (a) enter into commercial transactions with any person or organization concerning any agricultural supplies;
- (b) contribute towards the cost of any studies, surveys, experiments, or technical research connected with the functions of the Corporation and undertaken or done by any other person or agency or body; and
- (c) take over and manage, such agricultural projects and Government lands for agricultural development as are transferred to the Corporation by Government, on such terms and conditions as Government may determine.

²**[18-A. Recovery of Corporation dues.—** (1) Notwithstanding anything to the contrary contained in any agreement or law for the time being in force, any officer of the Corporation authorised generally or specially in this behalf by the Managing Director may, by notice, call upon any person to pay any sum of money due from him to the Corporation in respect of any agricultural supplies provided to him for his personal use or as dealer on commission basis for marketing the same.

(2) The notice referred to in sub-section (1) shall indicate the time within which payment is required to be made to the Corporation.

(3) If any person fails to pay the amount demanded in the notice within the stipulated time, the Managing Director or any officer of the Corporation authorised generally or specially by him in this behalf, may issue a certificate declaring that person to be a defaulter and certifying the amount to be recoverable as arrears of land revenue.

³[Provided that any person aggrieved by the certificate may within fifteen days of the issuance thereof file an appeal before an officer, not below the rank of an Additional Secretary to the Government, who may be notified by the Government as the appellate authority and he shall decide the appeal after giving an opportunity of being heard to the appellant.]

(4) A certificate issued under sub-section (3) shall ⁴[subject to the order in appeal,] be conclusive evidence that the amount certified therein is recoverable by the Corporation.

(5) Notwithstanding anything to the contrary contained in any agreement or law for the time being in force the Corporation may recover the amount due to it either from the defaulter concerned or from his surety under the Revenue Recovery Act, 1890 as arrears of land revenue.]

²Added by the Punjab Agricultural Development and Supplies Corporation (Amendment) Act, 1975 (XXXVII of 1975); and published in the Punjab Gazette (Extraordinary), dated 25.6.1975, pages 942WWW-942XXX, s.2.

³Added by the Punjab Agricultural Development and Supplies Corporation (Amendment) Ordinance, 1985 (XXII of 1985); and published in the Punjab Gazette (Extraordinary), dated 23.2.1985, s.2.

⁴Inserted *ibid*.

CHAPTER IV

FINANCES, AUDIT AND ACCOUNTS

19. Corporation Fund.— (1) There shall be a fund to be known as the “Corporation Fund” vested in the Corporation which shall be utilized by the Corporation to meet charges in connection with its functions under this Act, including the payment of salaries and other remunerations to the Managing Director, officers, advisers and employees of the Corporation.

- (2) The Corporation Fund shall consist of—
- (a) grants made by Government;
 - (b) loans obtained from Government;
 - (c) loans obtained from the State Bank and scheduled banks by the Corporation with the special or general sanction of Government;
 - (d) foreign aid and loans obtained through Government;
 - (e) all fees received by the Corporation;
 - (f) all other sums received by the Corporation;
 - (g) funds of the Supply Wing of the defunct West Pakistan Agricultural Development Corporation to the extent such funds are transferred to the Province of the Punjab;
 - (h) sale proceeds by way of disposal of the assets of the Corporation;
 - (i) sale proceeds of agricultural supplies;
 - (j) subsidy received from Government for sub-sidizing agricultural supplies; and
 - (k) incidentals and commission on providing services.

20. Powers of the Corporation to borrow money.— The Corporation shall be deemed to be a local authority under the Local Authorities Act, 1914 (No. I of 1914), for the purposes of borrowing money under that Act, and the making and execution of any scheme or project under this Act shall be deemed to be a work which such authority is legally authorised to carry out:

Provided that no local or foreign loan shall be obtained by the Corporation without the previous sanction of Government.

21. Custody of Corporation Fund.— All funds of the Corporation shall be kept in such manner as may be prescribed.

22. Budget.— The Corporation shall prepare its annual subsidy budget estimates and submit the same to Government by the prescribed date and Government may modify the said estimates to such extent as it may consider necessary.

23. Accounts and Audit.— (1) The Corporation shall maintain proper accounts and other relevant records and prepare annual statement of accounts including the profit and loss account and balance-sheet in accordance with such general directions as may be issued, and in such form as may be specified by Government in

consultation with the Comptroller and Auditor-General of Pakistan, hereinafter in this section referred to as the Auditor-General.

(2) The Auditor-General shall audit or cause to be audited the accounts of the Corporation at least once in every financial year.

(3) The Corporation shall produce all accounts, books and connected documents and furnish such explanations and information as the Auditor-General or any officer authorised by him in this behalf may require at the time of audit.

(4) A statement of audited accounts referred to in sub-section (1) shall be furnished to Government by the Corporation, as soon as possible after the end of every financial year.

24. Report to be furnished to Government.— The Corporation shall furnish to Government, as soon as possible, after the close of each financial year an audited statement in the prescribed form of its assets and liabilities of all undertakings and transactions as they stand at the close of that year, together with a profit and loss account for the year and a full report on the working of the Corporation during that year, and copies of the said statement, account and report shall be published in the official Gazette.

CHAPTER V

RULES AND REGULATIONS

25. Power to make rules.— (1) Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing provisions, such rules may provide for—

- (a) the appointment of Committees to consider particular matter or matters;
- (b) the custody of funds of the Corporation;
- (c) the meetings of the Board;
- (d) methods of ensuring continuous evaluation by the Corporation of its schemes and projects;
- (e) the determination of the terms and conditions of service of the officers, advisers and servants of the Corporation;
- (f) the mode of operation and expenditure of the funds of the Corporation;
- (g) the manner and form of keeping the accounts of the Corporation;
- (h) oath of fidelity and secrecy;
- (i) the date on which and the form in which the annual budget statement of the Corporation is to be submitted each year;
- (j) the manner and the form in which the statements and the report referred to in section 24 shall be submitted; and
- (k) any other matter required by the provisions of this Act to be provided by rules.

26. Powers to make Regulations.— Subject to the provisions of this Act and the rules, the Corporation may, by notification in the official Gazette, and with the previous approval in writing of Government, make regulations for carrying out the purposes of this Act.

CHAPTER VI

TRANSFER OF ASSETS, PROJECTS, UNDERTAKINGS, LIABILITIES, EMPLOYEES, ETC. OF THE DEFUNCT WEST PAKISTAN AGRICULTURAL DEVELOPMENT CORPORATION

27. Transfer of assets, etc., of the defunct West Pakistan Agricultural Development Corporation.— Notwithstanding any arrangements made to administer the business, projects, undertakings and properties of the Supply Wing of the defunct West Pakistan Agricultural Development Corporation in pursuance of the West Pakistan Agricultural Development Corporation (Dissolution) Order, 1972 (P.O. No. 5 of 1972), as from the coming into force of this Act—

- (a) all business, projects, undertakings, and properties of the Supply Wing of defunct West Pakistan Agricultural Development Corporation transferred to and vesting in the Punjab Province in accordance with the Order of the President notified,— *vide* Government of Pakistan, Ministry of Food and Agriculture Notification No. S.R. 796 (1)/73, dated 2nd June, 1973, shall stand transferred to the Corporation;
- (b) all debts, liabilities and obligations incurred, contracts entered into, and matters and things engaged to be done by, with or for, and all suits and other proceedings by or against the Supply Wing of the West Pakistan Agricultural Development Corporation to the extent such debts, liabilities and obligations stand transferred to the Punjab Province in accordance with the President's Order referred to in clause (a) and in so far as the contracts, matters and things, suits and other proceedings arise out of the business, projects, undertakings and properties so transferred to the Punjab Province shall 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 the Corporation.

Explanation— The expressions “projects”, “undertakings” and “properties”, as used in this section shall have the same meanings as are assigned to them in the West Pakistan Agricultural Development Corporation (Dissolution) order 1972.

28. Officers and employees of the defunct West Pakistan Agricultural Development Corporation.— Officers and other employees of the defunct West Pakistan Agricultural Development Corporation to be transferred to the Punjab Province in pursuance of the provisions of the West Pakistan Agricultural Development Corporation (Dissolution) Order, 1972, may be appointed for service under the Corporation on such terms and conditions as may be determined by Government.

29. Repeal.— The Punjab Agricultural Supplies Corporation Ordinance, 1973 (Punjab Ordinance No. X of 1973), is hereby repealed.