



# THE SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY ORDINANCE, 2002



## CONTENTS

---

### CHAPTER I PRELIMINARY

- 1 Short title, extent and commencement
- 2 Definitions

### CHAPTER II THE AUTHORITY

- 3 Establishment of the Authority
- 4 Powers and functions of the Authority

### CHAPTER III BOARD AND COMMITTEES

- 5 Exercise of the powers and functions of the Authority to be vested in a Board
- 6 Composition of the Board
- 7 Powers and functions of the Board
- 8 Meetings of the Board
- 9 Committees

### CHAPTER IV THE CHAIRMAN

- 10 The Chairman of the Board
- 11 Powers and functions of the Chairman

### CHAPTER V THE CHIEF EXECUTIVE OFFICER

- 12 The Chief Executive Officer
- 13 Qualifications of the Chief Executive Officer
- 14 Disqualification of the Chief Executive Officer
- 15 Powers and functions of the Chief Executive Officer

### CHAPTER VI DELEGATION OF POWERS

- 16 Delegation of powers, duties and functions

### CHAPTER VII THE EXECUTIVE SECRETARY

- 17 The Executive Secretary

**CHAPTER VIII  
ESTABLISHMENT**

- 18 Appointment of employees, etc
- 19 Conditions of service and disciplinary powers

**CHAPTER IX  
RESIGNATION AND REMOVAL**

- 20 Resignation
- 21 Removal of Member

**CHAPTER X  
FINANCE, AUDIT AND ACCOUNTS**

- 22 Fund
- 23 Expenditure to be charged to the Fund
- 24 Accounts, annual financial report and audit
- 25 Investment
- 26 Bank accounts

**CHAPTER XI  
ANNUAL REPORT**

- 27 Annual Report

**CHAPTER XII  
GENERAL AND MISCELLANEOUS PROVISIONS**

- 28 Limitation of liability
- 29 Right of recovery as arrears of land revenue
- 30 Power of the Federal Government to issue policy guidelines
- 31 Chief Executive Officer, Members, employees, etc of the Authority to be public servants
- 32 Indemnity
- 33 Winding up
- 34 Common seal
- 35 Ordinance to override other laws
- 36 Power to make rules
- 37 Power to make regulations
- 38 Removal of difficulties
- 39 Savings
- 40 Repeal

# THE SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY ORDINANCE, 2002

## ORDINANCE NO. XXXIX OF 2002

[12th August, 2002]

*An Ordinance to provide for the establishment of the Small and Medium Enterprises Development Authority as an autonomous body under the Federal Government for encouraging and facilitating the development and growth of small and medium enterprises in Pakistan*

**WHEREAS** it is expedient for the establishment of a Small and Medium Enterprises Development Authority to provide requisite support services for encouraging and facilitating the development and growth of small and medium enterprises in Pakistan by way of policy making and through the provision of resources and support services and to provide for matters connected therewith and 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 Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No. 1 of 1999, read with the Provisional Constitution (Amendment) Order No. 9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistanis pleased to make and promulgate the following Ordinance:-

### CHAPTER I

#### PRELIMINARY

**1. Short title, extent and commencement.**— (1) This Ordinance may be called the Small and Medium Enterprises Development Authority Ordinance, 2002.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

---

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

- (a) "Authority" means the Small and Medium Enterprises Development Authority established under section 3 ;
  - (b) "Board" means the Board of the Authority constituted under section 5 ;
  - (c) "Chairman" means the Chairman of the board ;
  - (d) "Chief Executive Officer" means the Chief Executive Officer of the Authority;
  - (e) "Committee" means a committee constituted by the Board;
  - (f) "employee" means any officer or servant of the Authority ;
  - (g) "Executive Secretary" means the Executive Secretary of the Board;
  - (h) "Federal Government" for purposes of this Ordinance, means the Ministry of Industries and Production;
  - (i) "Fund" means the fund established under section 22 ;
  - (j) "Member" means a member of the Board including the Chairman ;
  - (k) "Person" means any natural person or legal entity, including an individual, association of persons, partnership, company, corporation, statutory body, trust, society, or any other legal entity ;
  - (l) "prescribed" means prescribed by the rules made under this Ordinance;
  - (m) "private sector" means any field of activity not in the public sector or of any statutory body or any body which is owned or controlled, wholly or partially, by the Federal Government or a Provincial Government, except a university or an educational or research institute ;
  - (n) "regulations" means the regulations made under this Ordinance ;
-

(o) "rules" means the rules made under this Ordinance ; and

(p) "S.M.E.s" means all entities declared or defined by the Federal Government to be small or medium enterprises for the purposes this Ordinance.

---

## CHAPTER II

### THE AUTHORITY

**3. Establishment of the Authority.**—(1) There shall be established an Authority to be called the Small and Medium Enterprises Development Authority for carrying out the purposes and objectives of this Ordinance.

(2) The Authority shall be a body corporate having perpetual succession and a common seal, with power, subject to the provisions of this Ordinance, to acquire, take-over, hold and dispose of property, both movable and immovable, to enter into contracts and shall by the said name sue and be sued.

(3) The Authority shall have the sole and exclusive right to have and to use all emblems, motto, logo, decorations, descriptive or designating marks and titles, now or heretofore used by the Authority, the name "Small and Medium Enterprises Development Authority" or any similar grammatical variation thereof, and shall also have the sole and exclusive right to have and to use any emblems, motto, logo decorations, descriptive or designating marks or titles hereafter adopted by the Authority for carrying out its objectives.

(4) The Head Office of the Authority shall be at Lahore or at any other place as the Federal Government may, by notification in the official Gazette, specify.

(5) The Authority may establish regional offices at such other places and in such numbers as the Board may, from time to time, deem fit.

**4. Powers and functions of the Authority.**—(1) The Authority shall have all such powers as may be necessary to perform its duties and functions under this Ordinance.

---

(2) Without prejudice to the generality of the foregoing provision, the Authority shall exercise and perform the following powers and functions, namely:—

- (a) to facilitate on policy-making and to provide overall planning, programming, research and evaluation of matters relating to S.M.E.s in Pakistan ;
- (b) to identify research parameters and priorities and broad thrusts ;
- (c) to conduct professional overall monitoring and external evaluation of S.M.E.s;
- (d) to advise the Federal Government for allocation of funds to identify research and planning priorities ;
- (e) to initiate, take, continue, implement and perform any and all activities for encouraging and facilitating the growth and development of S.M.E.s ;
- (f) to protect the interests of S.M.E.s in accordance with the provisions of this Ordinance and any rules and regulations made thereunder;
- (g) to act as a resource base for providing expertise, information, data, statistics including but not limited to, economic, commercial, business and industrial areas and such other resources as deemed appropriate or necessary for S.M.E.s ;
- (h) to provide, arrange and facilitate support services, including but not limited to technical, financial, managerial, legal, marketing, commercial, industrial and such other services as deemed appropriate or necessary for S.M.E.s;
- (i) to establish any association of persons, firm, company, body or corporation concerning S.M.E.s in Pakistan;
- (j) to engage and enter into agreements with financial and other institutions, and financial, legal, accounting, valuation and other specialists, for the purposes of fulfilling the aims and objectives of the Authority;
- (k) to borrow money and secure or discharge any debt or obligation binding on the Authority in such manner as may be thought fit;

- (l) to sell, improve, manage, develop, exchange, mortgage, let or rent, grant licences, easements, options, servitudes and other rights over and in any other manner deal with or dispose the real and personal property, assets, rights and effects of the Authority ;
- (m) to open and maintain the Authority's accounts with banks and financial institutions;
- (n) to enter into any agreements with any authorities, Federal or Provincial, autonomous, semi-autonomous, municipal, local or otherwise that may be conducive to the Authority's aims or objectives, or any one of them, and to obtain from any such authority, rights, privileges and concessions which the Authority may deem desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions ;
- (o) to have and possess all powers and functions enumerated in sections 7, 11 and 15 as entrusted to the Board, the Chairman and the Chief Executive Officer respectively ;
- (p) to perform such other functions as may be assigned by the Federal Government to achieve the aims and objectives of this Ordinance ; and
- (q) to do all other acts, deeds and things incidental to or ancillary for the purposes of achieving the objects of this Ordinance.

---

### CHAPTER III

#### BOARD AND COMMITTEES

**5. Exercise of the powers and functions of the Authority to be vested in a Board.** The powers and functions of the Authority and the general and overall direction, management, control and superintendence of the affairs of the Authority shall vest in a Board and all actions, decisions, guidelines, directions, orders and policies made or issued by the Board in the exercise of the said powers and functions shall be deemed to have been made and issued by the Authority.

---

**6. Composition of the Board.**— (1) The Board shall consist of the following members, namely:—

- (a) the Chairman ;
- (b) the Secretary, Industries and Production Division, Government of Pakistan ;
- (c) the Secretary, Finance Division, Ministry of Finance, Revenue and Economic Affairs, Government of Pakistan ;
- (d) the Secretary, Commerce Division, Government of Pakistan ;
- (e) the Chairman, Central Board of Revenue, Government of Pakistan;
- (f) the Chief Executive Officer; and
- (g) six persons from the private sector and, as far as possible, amongst them at least one from each Province of Pakistan who are reputed for their integrity, competence, expertise, knowledge and experience in the spheres including but not limited to economics, commerce, business, trade, industry, law, actuarial sciences, accountancy, banking, finance, marketing, technology, academia, or other spheres of expertise and who are capable of and able to positively contribute towards the aims, objectives and functions of the Authority.

(2) The Members mentioned in clauses (b) to (e) of sub-section (1) shall be *ex-officio* Members.

(3) If any Member referred to in clauses (b) to (e) of sub-section (1) is absent from Pakistan, or is unable to attend a Meeting of the Board, he may authorize an officer, not below the rank of Additional Secretary or Joint Secretary of his Division, to act as a Member and such officer, if approved by the Board, may act as a Member and participate in the Board Meeting for such period of time and for such number of Meetings as may be permitted by the Board.

(4) A Member, other than an *ex-officio* member, shall be appointed by the Federal Government in consultation with the Chairman, and shall hold office for a term of three years and may be eligible for re-appointment for only one additional term not exceeding three years.



**7. Powers and functions of the Board.** Subject to the provisions of this Ordinance, the Board shall,—

- (i)** exercise executive control over the affairs of the Authority ;
  - (ii)** manage and administer affairs of the Authority ;
  - (iii)** approve the annual budget of the Authority ;
  - (iv)** ask for any information or call for the record of any matter relating to S.M.E.s, pending before or decided by the Authority or any committee constituted by the Authority ;
  - (v)** ask for any information or call for the record of any matter relating to S.M.E.s, from any ministry, division, department, section, statutory body, corporation, agency of the Federal or Provincial Government concerning any policy, relating to S.M.E.s subject to the constitutional and legal requirements, for review and appropriate action as and if necessary. The concerned ministry, division, department, section, statutory body, corporation, agency of the Federal or Provincial Government, which after the receipt of such request, shall, within a reasonable period of time, provide the requisite information or record to the Authority ;
  - (vi)** assist and facilitate banks and other institutions in developing appropriate programmes for the promotion and development of S.M.E.s ;
  - (vii)** enter into all such negotiations, agreements and contracts and rescind or vary all such agreements or contracts, and to execute all such documents and do all acts, deeds and things, in the name and on behalf of the Authority as may be considered necessary, expedient or proper, or in relation to any of the matters aforesaid or otherwise, for the purposes of the Authority ;
  - (viii)** deal with, make arrangements, sign contracts with Government, semi-Government, autonomous bodies, corporations, local Government and other institutions ;
  - (ix)** sell, deal in and dispose of all articles and goods of the Authority ;
-

- (x) engage, employ, fix and pay the remuneration and remove, dismiss or discharge all employees and other persons employed in, or in connection with, the Authority's business;
  - (xi) transfer employees from one department to another department ;
  - (xii) employ advisers, experts and consultants for the Authority ;
  - (xiii) review the performance of any person employed or engaged by the Board or the Chief Executive Officer, from time to time, and issue such directions as it may deem fit, appropriate or necessary ;
  - (xiv) make and give receipt, release and discharge, all moneys payable to the Authority or for the claims and demands of the Authority ;
  - (xv) receive money or goods on behalf of the Authority ;
  - (xvi) give effectual discharge for moneys payable to the Authority and for its claims and demands;
  - (xvii) draw, accept, endorse and negotiate all such cheques, bills of exchange, promissory notes and Government and other securities as shall be necessary in or for carrying on the affairs of the Authority whether the account may be overdrawn or not;
  - (xviii) provide for the welfare of employees or ex-employees of the Authority and the wives, widows or families or the dependants of such persons in such manner as it may think fit ;
  - (xix) open, maintain and operate accounts or letters of credit for any amount with any bank or banks and to give instructions for operation of such accounts ;
-

- (xx) institute, commence, defend, compromise, withdraw or abandon any legal proceedings by or against the Authority or its employees or otherwise concerning the affairs of the Authority ;
- (xxi) appear before any Court of law, civil, criminal, revenue excise income-tax, special courts, tribunals, whether original or appellate, Provincial High Courts and the Supreme Court of Pakistan and other authorities for and on behalf of the Authority and to institute, apply for transfer of suits and other proceedings, conduct, prosecute and defend suits and legal jurisdiction, sign powers-of-attorney or other authorizations, statements, pleadings and petitions on behalf of the Authority and to represent, defend and safeguard the interest of Authority ;
- (xxii) purchase or take on lease or otherwise acquire for the Authority, land, buildings, rights and privileges for the purpose of offices or premises of the Authority at such prices and generally on such terms as it may think necessary and expedient, to build, alter and furnish offices, houses or premises and let or sub-let any such houses or premises in portion or otherwise ;
- (xxiii) demand and enforce payment, delivery, transfer of any dues for recovery and receive from all and any persons, body corporate or corporations, firm or companies whatsoever, all moneys, securities for moneys, debts and claims of all kinds and demand, enforce, deliver and receive any property of all kinds whether belonging to the Authority as security or in trust or held by any person or company in trust or by way of security for the Authority ;
- (xxiv) appoint and nominate attorneys, agents, managers for the Authority for such purposes and with such powers, authorities and discretion and for such period and subject to such conditions as he may, from time to time, think fit and authorise them to exercise any or all such powers and functions;
- (xxv) assign or sub-contract work of the Authority to private sector persons or otherwise ;
-

- (xxvi) see that the Ordinance and the rules and regulations made thereunder are duly observed and to ensure such observance ;
- (xxvii) make, formulate, lay down, review and approve policies and plans relating to the aims and objectives of the Authority ;
- (xxviii) advise the Authority on all matters relating to its policies, plans, aims and objectives ;
- (xxix) review the development and growth of S.M.E.s in Pakistan and make recommendations and policies therefore;
- (xxx) make, formulate, lay down and approve regulations on behalf of the Authority ;
- (xxxi) approve the annual financial budget of the Authority ;
- (xxxii) seek advice from any person relating to any matter under its jurisdiction ;
- (xxxiii) constitute such committees as it may deem fit or consider necessary or expedient to assist the Board in the performance of its functions under this Ordinance and to review the performance of such committees;
- (xxxiv) maintain and preserve the Fund of the Authority ;
- (xxxv) lay down the terms and conditions of the employees, experts, advisers and consultants of the Authority ;
- (xxxvi) to assist and facilitate banks and other institutions in developing appropriate programmes for promotion and development of S.M.E.s ;
- (xxxvii) recommend suitable persons for the appointment as the Chief Executive Officer; and
- (xxxviii) do or to perform such other acts, deeds and things as may be necessary and incidental thereto.

**8. Meetings of the Board.**—(1) The Board shall meet not less than twice in a calendar year.

(2) the Meetings of the Board shall be presided over by the Chairman or, in his absence, by any other Member as the Board may determine.

---

(3) Six Members including at least two *ex-officio* Members shall constitute a quorum for a meeting of the Board.

(4) The decision of the Board shall be taken by the Majority of its Members, each of whom shall have a single vote, including the Chairman. In case of a tie, the Chairman or, in his absence, the person chairing the meeting, shall have a casting vote.

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

**9. Committees.** The Board may, for the purpose of obtaining advice and assistance in carrying out the purposes of this Ordinance, constitute committees consisting of the Members of the Board and any other suitable person or persons as it may deem fit.

## CHAPTER IV

### THE CHAIRMAN

**10. The Chairman of the Board.** The Federal Minister for Industries and Production, Government of Pakistan, shall be the *ex-officio* Chairman of the Board.

**11. Powers and functions of the Chairman.**-(1) The Chairman may ask for any information or call for the record of any matter, pending before or decided by the Board, the Chief Executive Officer or any committee, relating to S.M.E.s and may ask for information, from any Ministry, statutory body, corporation, agency of the Federal or Provincial Government concerning any policy, relating to S.M.E.s for review and appropriate action, as and if necessary. The concerned Ministry, statutory body, corporation, agency of the Federal or Provincial Government, which after the receipt of such request, shall, within a reasonable period of time, provide the requisite information or record to the Chairman.

(2) The Chairman may take appropriate and necessary action on any report submitted to him by the Board, the Chief Executive Officer, a Member or a committee.

(3) The Chairman may review the performance of the Board, the Chief Executive Officer, a Member or a committee, from time to time, and issue such directions as the Chairman may deem fit.

## CHAPTER V

### THE CHIEF EXECUTIVE OFFICER

**12. The Chief Executive Officer.**-(1) There shall be a Chief Executive Officer of the Authority who shall be appointed by the Federal Government subject to such terms and conditions as may be determined by the Federal Government.

(2) The Chief Executive Officer shall be appointed for a term of three years which may be extended to only one additional term of not exceeding three years.

**13. Qualifications of the Chief Executive Officer.** A person shall not be qualified to be appointed as the Chief Executive Officer or a Member of the Authority unless he-

- (a) is a citizen of Pakistan ;
- (b) is not less than forty years of age ; and
- (c) is a person who is well-qualified, experienced and of known integrity and competence.

**14. Disqualification of the Chief Executive Officer.** No person shall be appointed or continue as a Chief Executive Officer of the Authority if he-

- (a) is of unsound mind and has been so declared by a competent authority;
  - (b) is adjudged an undischarged insolvent;
  - (c) ceases to be a citizen of Pakistan, or acquires the citizenship of a foreign state ;
-

- (d) has at any time been convicted of an offence which, in the opinion of the Federal Government, is an offence involving moral turpitude ;
- (e) has been dismissed, removed or compulsorily retired from the service of Pakistan on the ground of misconduct ;
- (f) is found guilty of a corrupt or illegal practice under any law for the time being in force;
- (g) has after the establishment of Pakistan, worked against the integrity of the country ;
- (h) is not capable of discharging his duties by reason of physical, psychological or mental unfitness or ill-health and has been so declared by a medical board appointed by the Board and comprising of three registered and licensed medical practitioners.;
- (i) absents himself from all the Meetings of the Board, without sufficient cause and leave of absence from the Board, for a continuous period of six months or, if less than three meetings are held within such a period, from three consecutive meetings of the Board ;
- (j) remains absent without leave from the Authority for more than seven days, or
- (k) refuses or fails to discharge or, in the opinion of the Board, becomes incapable of effectively discharging his responsibilities under this Ordinance.

**15. Powers and functions of the Chief Executive Officer.** The Chief Executive Officer shall exercise such powers and perform such functions as may be assigned to him by the Board.

---

## CHAPTER VI

### DELEGATION OF POWERS

**16. Delegation of powers, duties and functions.** The Board may, subject to such conditions and limitations as it may deem fit to impose, delegate all or any of its powers, duties or functions to the Chairman, the Chief Executive Officer, a Member, a committee or any officer of the Authority, as it may deem fit.

## CHAPTER VII

### THE EXECUTIVE SECRETARY

**17. The Executive Secretary.**-(1) There shall be an Executive Secretary who shall be appointed by the Board on the basis of such qualifications and on such terms and conditions as may be prescribed.

(2) The Executive Secretary shall exercise all such powers and perform all such functions, as may be assigned to him by the Board.

(3) The Executive Secretary shall be responsible for calling the meetings of the Board on the direction of the Chairman, the Chief Executive Officer or on a requisition by the majority of the Members, as the case may be.

## CHAPTER VIII

### ESTABLISHMENT

**18. Appointment of employees, etc.**- (1) The authority may appoint such employees as it may consider necessary for the efficient performance of its functions on such terms and conditions as may be prescribed.

---



(2) All appointments and promotions in the Authority shall be in accordance with the service rules and regulations of the Authority.

(3) The Authority may engage experts, advisers and consultants on contract on such terms and conditions as it may determine.

**19. Conditions of service and disciplinary powers.** The Authority shall prescribe the procedure for the appointment and removal and other terms and conditions of service of its employees and shall be competent to take disciplinary action against its employees.

## CHAPTER IX

### RESIGNATION AND REMOVAL

**20. Resignation.**- (1) The Chief Executive Officer or a Member, other than an *ex-officio* Member, may, at any time, resign his office by writing under his hand addressed to the Chairman, subject to the terms and conditions of his office.

(2) An employee may, at anytime, resign his post by writing under his hand addressed to the Chief Executive Officer, subject to the terms and conditions of his employment.

**21. Removal of Member.** The Federal Government may, on the recommendation of the Chairman, at any time, remove any Member, other than an *ex-officio* Member, on any one or more of the grounds specified in section 14.

## CHAPTER X

### FINANCE, AUDIT AND ACCOUNTS

**22. Fund.**-(1) There shall be established a Fund vested in the Authority which shall be utilized by the Authority to meet all such costs and charges incurred in connection with its functions under this Ordinance.

---

(2) The Fund shall consist of

- (a) such funds as the Federal Government may, from time to time, grant to the Authority;
- (b) allocations made by the Federal Government from the Federal Consolidated Fund or any other financial source available with the Federal Government;
- (c) annual grant (budget) obtained from the Federal Government;
- (d) non-repayable fees, and income, accruing to it under the law, donations, bequests, endowments, contributions, and other receipts provided to the Authority by any person, agency, body, corporate (statutory or otherwise), institution approved by the Board; and
- (e) all other sums or property which may, in any manner, become payable to or be vested in the Authority.

**23. Expenditure to be charged to the Fund.** The Fund shall be expended for the purposes of-

- (a) paying any expenditure lawfully incurred by the Authority or its constituents for the purposes of this Ordinance; and
- (b) repaying any financial accommodation received or moneys borrowed under this Ordinance and the profit, return, mark-up or interest due thereon, howsoever called.

**24. Accounts, annual financial report and audit.**-(1) The Authority shall maintain proper books of accounts and records on generally acceptable accounting principles, to explain all its transactions and to give true and fair view of its state of affairs. The books of accounts relating to a period of not less than ten years immediately preceding the current year shall be preserved in good order.

---

(2) The Chief Executive Officer shall in consultation with the Board, as soon as may be practicable after the end of each financial year, cause an annual financial report to be prepared on the accounts and financial activities of the Authority during that financial year which shall include a balance sheet of the annual profits and losses and an account of the annual income and expenditure incurred by the Authority.

(3) The accounts of the Authority shall be audited annually by a reputable firm of chartered accountants selected by the Board and, together with the report of the Auditors thereon, be submitted to the Board for approval by the 31st December each year.

(4) A copy of the annual financial report shall be sent to the Chairman and shall also be made available to the general public.

(5) The audit shall be carried out in accordance with the professional standards of auditing prescribed by the Pakistan Institute of Chartered Accountants, and shall issue a report on the audit.

**25. Investment.** The Authority may insofar as moneys are not required to be expended under this Ordinance, make such investments as it may determine, from time to time.

**26. Bank accounts.** The Authority shall open, maintain and operate one or more bank accounts in its name with any scheduled bank in Pakistan.

## CHAPTER XI

### ANNUAL REPORT

**27. Annual Report.**-(1) The Authority shall prepare, in such manner and form and at such time each year, as may be prescribed, an Annual Report which shall include, among others, a comprehensive review of its performance, the steps taken by the Authority towards the fulfilment of its aims and objectives and a true and full account of its operations and activities during the previous year.

---

(2) The Annual Report of the Authority shall be prepared under the direction of the Chief Executive Officer.

(3) The Annual Report shall be presented to the Board for its approval by the 31st December each year.

(4) After its approval by the Board, a copy of the Annual Report shall be submitted to the Federal Government and it shall also be made available to the general public.

## **CHAPTER XII**

### **GENERAL AND MISCELLANEOUS PROVISIONS**

**28. Limitation of liability.** The Authority shall not have any liability to any financial institution save in accordance with law.

**29. Right of recovery as arrears of land revenue.** Subject to law, the Authority shall be entitled to recover all outstanding amounts due to it as if they are arrears of land revenue under the Land Revenue Act, 1967 (West Pakistan Act XVII of 1967).

**30. Power of the Federal Government to issue policy guidelines.** The Federal Government may, as and when it considers it necessary, issue guidelines to the Authority on matters of policy, not inconsistent with the provisions of this Ordinance or any rules made thereunder.

**31. Chief Executive Officer, Members, employees, etc. of the Authority to be public servants.** The Chief Executive Officer, Members and employees of the Authority, when acting or purporting to act in pursuance of any of the provisions of this Ordinance shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code, 1860 (Act XLV of 1860).

---

**32. Indemnity.** No suit, prosecution or other legal proceedings shall lie against the Authority, the Chairman, the Chief Executive Officer, the Members or employees of the Authority, in respect of anything done intended or purported to be done orders passed or proceedings taken by the Authority, in good faith under this Ordinance or any of the rules or regulations made thereunder.

**33. Winding up.** No provision of law relating to the winding up of bodies corporate shall apply to the Authority and the Authority shall not be wound up except by the orders of the Federal Government in such manner as the Federal Government may direct.

**34. Common seal.** The Authority shall have a common seal and such seal shall be kept in the custody of the Chief Executive Officer or such other person as may be authorized by the Board. All documents that are required or permitted to be executed under seal shall be specified and authenticated in such manner as may be prescribed.

**35. Ordinance to override other laws.** This Ordinance shall have effect notwithstanding anything contained in any other law for the time being in force.

**36. Power to make rules.**-(1) The Federal Government may, by notification in the official Gazette, make rules for carrying out the purposes and provisions of this Ordinance.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :-

- (a) administration and conduct of business of the Authority;
  - (b) conduct of business at the meetings of the Board and the Committees;
  - (c) constitution of the Committees;
  - (d) finance, audit and accounts of the Authority;
  - (e) employment and service matters of the Authority;
  - (f) control, restrictions and conditions subject to which the Authority may appoint employees;
-

- (g) terms and conditions of service of the Chairman, Members and the Chief Executive Officer;
- (h) terms and conditions of service of the employees of the Authority;
- (i) powers, duties and functions of the Chairman and Chief Executive Officer;
- (j) conditions under which the Board may enter into arrangements with other institutions and organizations, whether public, private, government owned or autonomous bodies;
- (k) manner in which the accounts of the Authority shall be maintained;
- (l) manner in which the Authority may invest its money;
- (m) manner, form and time in which the annual statement of accounts and annual report shall be prepared; and
- (n) any other matter which is to be, or may be prescribed or in respect of which provision is to be, or may be made, by the rules.

**37. Power to make regulations.**-(1) The Board may, by notification in the official Gazette, make regulations, not inconsistent with the rules, to provide for all matters for which provision is necessary or expedient for carrying out the purposes and provisions of this Ordinance.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:-

- (a) time and place of the meetings of the Board and the Committees and the procedure to be followed at such meetings;
  - (b) manner in which and the purpose for which persons may be co-opted by the Authority;
  - (c) recruitment, selection and the terms and conditions of service of the employees;
-

- (d) recruitment, selection and the terms and conditions of service of the Executive Secretary;
- (e) duties, conduct and functions of the employees;
- (f) conduct and discipline of the employees;
- (g) constitution and management of provident or other funds for the employees;
- (h) preparation of annual estimates of income and expenditure, profit and loss and supplementary estimates;
- (i) annual report;
- (j) manner in which payments are to be made by or on behalf of the Authority and the officers by whom orders for making deposits or investments for withdrawals or any other disposal of the income or fund of the Authority shall be authenticated, made or signed;
- (k) custody and use of the common seal of the Authority;
- (l) efficient conduct and expeditious disposal of the affairs of the Authority generally; and
- (m) any other matter which is to be, or may be prescribed or in respect of which provision is to be, or may be made, by the regulations.

**38. Removal of difficulties.** If any difficulty arises in giving effect to any provision of this Ordinance, the Federal Government may, by notification published in the Gazette, make such provisions, not inconsistent with the provisions of this Ordinance, as may appear to it to be appropriate or necessary for the purpose of removing such a difficulty.

**39. Savings.-** Upon the commencement of this Ordinance,-

- (a) all funds, moneys, properties, rights and interests of whatever kind, issued, used, enjoyed, possessed owned or vested in the Small and Medium Enterprises Development Authority in existence immediately before such commencement and all liabilities legally subsisting against the said Small and Medium Enterprises Development Authority shall pass on to the Authority as established under this Ordinance;
- (b) everything done, action taken, obligations and liabilities incurred, persons appointed or authorized and orders issued prior to such commencement shall be continued and be deemed to have been done, taken, incurred, appointed or authorized, instituted or issued by the Authority; and
- (c) all acts, deeds and thing done, orders passed, decisions taken, directions issued in pursuance of the Federal Government's Notification No. 5(20) E&FI/98, dated the 13<sup>th</sup> October, 1998, shall be deemed to have been done, passed, taken or issued under this Ordinance.

**40. Repeal.** The Federal Government's Notification No. 5(20) E&FI/98, dated the 13th October, 1998, is hereby repealed.

