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SINDH ORDINANCE No.VI OF 1995

THE SINDH BANK ORDINANCE, 1995.

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SINDH ORDINANCE No.VI OF 1995

THE SINDH BANK ORDINANCE, 1995.

[5th September, 1995]

An Ordinance to establish a Bank for providing commercial banking and investment banking service in the Province of Sindh.

Preamble

WHEREAS, it is expedient to establish a Bank for providing commercial banking and investment banking service in the Province of Sindh;

AND WHEREAS the Provincial Assembly of Sindh is not in session and the Governor of Sindh is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 128 of the Constitution of the Islamic Republic of Pakistan, the Governor of Sindh is pleased to make and promulgate the following Ordinance:—

Short title, extent and commencement

1. (1) This Ordinance may be called the Sindh Bank Ordinance, 1995.

(2) It extends to the whole of the Sindh Province.

(3) It shall come into force at once.

Over-riding clause.

2. This Ordinance shall have effect notwithstanding anything contained in any other law for the time being inforce.

Definitions.

3. In this Ordinance, unless there is anything repugnant in the subject or context:—

(a) "Bank" means the' Sindh Bank established under this Ordinance;

(b) "Board" means the Board of Directors of the Bank;

(c) "Director" means a Director for the time being of the Board;

(d) "dividend" includes bonus;

(e) "General meeting" means the annual meeting of the shareholders of the Bank;

(f) "Goods" includes bullion ware and merchandise;

(g) "Government" means the Government of Sindh;

(h) "Managing Director" means the Managing Director of the Bank;

(i) "meeting" includes holding of an adjourned meeting;

(j) "prescribed" means prescribed by bye-laws or regulations made under this Act;

(k) "proxy" means an instrument in writing whereby a member authorizes another to vote for him at a meeting or meetings and includes attorney duly constituted under a power of attorney;

(l) "Resolution" means any decision taken by a majority vote in a meeting of the Board or a meeting of shareholders;

(m) "seal" means the common or official seal of the Bank and shall include those official seals which are for use in territories outside Pakistan;

(n) "special meeting" means a meeting of the shareholders of the Bank convened for transacting some particular business specified in the notice convening the meeting;

(o) "special resolution" means resolution passed by majority vote at a special meeting.

(p) "special local resolution" means resolution passed by majority vote at a special local meeting.

Establishment and incorporation of the Bank.

4. (1) As soon as may be after the commencement of this Ordinance there shall be established ill accordance with the provisions of this Act a Bank to be called the Sindh Bank to carry on the business of banking.

(2) The Bank shall be deemed to be a body corporate having perpetual succession and a common seal and shall by the said name sue and be sued.

Share Capital

5. (1) Subject to the provisions of this Ordinance the authorised capital of the Bank shall be two and half billion rupees divided into two hundred and fifty million ordinary shares of ten rupees each.

(2) The initial paid-up capital of the Bank shall be two hundred and fifty million rupees which shall be subscribed by Government or any other person or company nominated by it and the private sector.

(3) Out of the said authorised capital there shall from time to time, be issued such number of shares and on such terms, if any, including the terms of the brokerage and underwriting, as the Board may decide.

(4) The liability of the shareholders of the Bank shall be limited to the amount fully paid up on their shares.

(5) The shareholders representing at least seventy-five percent of the Banks equity paid-up capital, may by special resolution increase or reduce the capital of the Bank.

(6) The shares of the Bank shall be movable property and each share shall be distinguished by its appropriate number.

Registrar of shareholders.

6. The Bank shall maintain at its head office established under section 9, a Register to be called the Register of the Shareholders of the Bank and shall enter therein such particulars as may be prescribed.

Qualification of shareholders.

7. (1) No person shall be qualified to be registered as shareholder who by reason of anything contained in any law for the time being in force is not competent to enter into any contract.

(2) A person who subsequent to his registration is discovered to have been not qualified as aforesaid at the time of registration shall not be entitled to exercise any of the rights of a shareholder otherwise than for the purpose of the sale of his shares under the orders of a competent Court.

(3) Shares shall be registered in the name of individuals, limited companies, corporate bodies and Government or its agencies provided that not more than four persons shall be registered as joint holders of any shares.

(4) In the event of death of any one or more of the persons named in the register as joint holders of any shares, the legal heirs shall be the only persons recognized by the Bank as having any title to his interest in the shares.

Government to be share holders

8. (a) Notwithstanding anything contained in section 7 Government shall be a major shareholder in the Bank but at any one time it shall hold more than fifty-five percent of the paid-up capital of the Bank.

(b) Subject to any disinvestment from its own quota of shares which Government may decide after the establishment of the Bank, investment in the remaining forty five percent of the paid-up shares of the Bank shall be offered to the private sector.

(c) Subject to approval of the Board, Government and the private sector shall be free to disinvest any part of their shareholding in the Bank.

Head office of the Bank.

9. The head Office of the Bank shall be at Karachi, Board.—

Board

10. (1) The Bank, shall work under the overall supervision and direction of the Board which shall make such policies as it considers proper from time to time in the best interest of the Bank.

(2) The Board shall be fully empowered to engage personnel, experts, advisors, management, consultants for providing such professional services for the functioning of the Bank and on such terms and conditions as may be prescribed.

Constitution of the Board.

11. (1) The Board shall consist of seven Directors.

(2) Notwithstanding the provisions of subsection (1), the Board shall initially, comprise of five Directors out of whom three Directors representing the Government shall be nominated by Government and two Directors representing the private share-holders shall be elected in a special meeting by the share-holders.

(3) The first Directors, shall continue in office for a period of three years and shall be eligible for re-nomination or as the case may be re-election.

(4) The two remaining Directors to make up a total of seven shall be appointed by Government after the Bank in the opinion of the Government become operational.

(5) The Board shall have the power to further increase the number of Directors to serve at any one time on the Board.

Managing Director.

12. (1) The Managing Director shall be a professional and experienced banker who shall be appointed by the Government on such terms and conditions as may be determined by it.

(2) The Managing Director shall be the Chief Executive Officer of the Bank and shall subject to the control of the Chairman, supervise and control the affairs of the Bank on behalf of the Board.

(3) The salary and the terms and conditions of service of the Managing Director shall not be varied to his disadvantage during his tenure of office.

Chairman

13. (1) The Chairman of the Board shall be elected from amongst the Directors nominated by Government on such terms and conditions as may be determined by the Board but he shall not exercise any executive powers.

(2) The Chairman shall preside over the meeting of the Board and shave have casting vote.

Qualification and disqualifications of Directors.

14. (1) No person not appointed by the Government to serve as a Director shall be qualified to serve as Director unless he is a holder in his own right of unencumbered shares of the Bank having face value of atleast one hundred thousand rupees.

(2) No person shall be qualified to serve as a Director—

(a) if he has been convicted of an offence involving moral turpitude;

(b) if he was at any time in the service of the Bank and was dismissed or his services had been terminated by the Bank;

(c) if he is a Director of any commercial bank other than a bank sponsored or established by or under the authority of Government or the State Bank of Pakistan for the development of industry or agriculture in the country, or a bank which is a society registered under the Sindh Co-operative Societies Act, 1925 or any other law for the time being in force in Pakistan relating to Co-operative Societies;

(d) if he is in the employment of any banking company, whether on salary or on commission, and is engaged in the performance of any continuous service for remuneration for any such company;

(e) If he is for the time being disqualified from membership of anybody established by or under any law for the time being inforce of which the constituent members are wholly or partly chosen by means of election.

(3) The office of a Director shall be vacated—

(a) if the person holding it resigns his office or dies;

(b) if he is, or at any time has been adjudicated an insolvent;

(c) if he is declared a lunatic or becomes of unsound mind;

(d) if he has absented himself from three consecutive meetings of the Board or from all such meetings for a continuous period of six months, whichever is longer without leave of absence from the Board;

(e) if he ceases to hold in his own right the amount of shares required to qualify him for the office;

(f) if he incurs any of the disqualifications mentioned in subs-section (2);

(g) if he is removed from his office by a vote representing atleast seventy-five percent of equity/paid-up capital of the Bank.

General and Special Meetings.

15. (1) In the first week of March every year, or as soon thereafter as convenient, a general meetings shall be held annually at the head office at Karachi, at such time as may be determined by the Board and at the meeting the shareholders present shall be entitled to discuss the annual account, the report of the Board on the working of the Bank throughout the year, and the auditor's report on the annual balance sheet and accounts made up to the preceding thirty-first day of December.

(2) Special meetings shall be convened and held in such manner and at such time and place as may be prescribed.

Vote of Share-holder.

16. (1) Every shareholder shall be entitled to attend any meeting and each shareholder who has been registered as such for a period of not less than one month prior to the date of such meeting shall have one vote; and on poll each shareholder so registered for a like period shall have one vote for every ten shares subject to a maximum of ten votes;

Provided that no shareholder shall be entitled to vote at any meeting unless all calls or other sums presently payable by him in respect of shares of the Bank have been paid.

(2) On a poll votes may be given either personally or by proxy, but Government as a shareholder may appoint any person to be present at any general meeting and to vote on its behalf.

Business which the Bank is authorised to transact.

17. In addition to the role that may be assigned to it to function as principal banker/treasury to Government, the Bank may carry on and transact commercial and investment banking business within the Province and subject to the approval of the competent authority under the law for the time being in force, at any place/places in and outside Pakistan, hereinafter specified, i.e.

(1) to accept/receive deposits and maintain cash and various other accounts of the customers as per custom, usage, practice and laws governing commercial banks in Pakistan;

(2) to open, operate, overdraft, loan and other accounts, to deposit any money with or borrow or obtain accommodation, money or facility, with or without securities from any bank or banks, finance/discount houses in the Province and other provinces of Pakistan and Central Banks of Countries abroad where the Bank's branches or representative offices are located.

(3) to place its funds with other banks and accept other banks funds and finalize agency arrangement/ correspondent relationship with banks within and outside the Province and local as well as foreign banks in any province of Pakistan or abroad;

(4) the advancing and lending of money, and opening of cash credits upon the security of—

(a) stocks, funds and securities in which a trustee is authorised to invest trust money by any law for the time being in force in Sindh and shares by the State Bank of Pakistan;

(b) participation term certificates or other securities for money issued under the authority of any law for the time being in force in Sindh by, or on behalf of a local Authority or Agency;

(c) goods which, or the documents of the title to which, are deposited with, or assigned to, the bank as security for such advances, loans or credits;

(d) subject to such directions as may be issued by the Board, participation term certificates of companies with limited liability;

(e) shares of companies with limited liability, in accordance with such directions in this regard as may be issued from time to time, by the State Bank of Pakistan;

(f) goods which are hypothecated to the Bank as security for such advances, loans or credits;

(g) accepting bills of exchange and promissory notes endorsed by the payee and joint and several promissory notes of two or more persons or firms unconnected with each other in general partnership;

(h) immovable property or documents of title relating thereto, subject to such directions as may be issued by the Board;

(i) coopt subject to such directions as may be issued by the Board:

Provided that any advances of loans which are specially guaranteed by Government may be made without any specific security.

(5) The selling and realization of proceeds of sale of any such promissory notes, participation term certificates, stock receipts, bonds annuities, stocks, shares, securities or goods which, or the documents of title to which, have been deposited with, or pledged, hypothecated, assigned or transferred to, the Bank as security for such advances, loans or credits or which are held by the Bank or over which the Bank is entitled to any lien or charge in respect of any such advance or loans or credit or any debt or claim of the Bank, and which have not been redeemed in due time in accordance with the terms and conditions (if any) of such deposit, pledge, hypothecation, assignment or transfer.

(6) The advancing and lending of money to Court of Wards upon the security of estates in their charge or under**?**

(7) drawing, accepting, discounting, buying and selling of bills of exchange and other negotiable, securities;

(8) the investing of the funds of the Bank in, or the underwriting of, any stock, funds, shares, securities, participation term certificates, bonds or scripts or other securities for money issued by a public limited company or any corporation established by or under any law for the time being in force or under the authority of the Government or the State Bank of Pakistan, converting the same into money whom required, and altering, and transposing any such investment for or into any other of such investment;

(9) the issuing, accepting and confirming letters of credit for imports as well as exports and other transactions;

(10) to buy, sell, hypothecate, pledge, mortgage, endorse, negotiate, transfer and otherwise deal in promissory notes debentures, bonds, treasury bills, shares of companies and all other kinds of securities including Government securities, trust, securities, municipal bonds etc, and to receive or pay principal and mark up amounts;

(11) to receive and hold in safe custody securities, or other movable property whatsoever, to recover and take possession of and manage all lands, houses, buildings and other-property mortgaged to or otherwise manage the same and to make, sell and dispose of all lands, houses, goods, merchandise and property of every description, whether belonging to the Bank absolutely or in trust or as security, and for any such purpose to exercise all such powers and authorities and adopt proceedings as the Bank might or could exercise;

(12) the buying and selling of gold and silver whether coined or uncombed;

(13) the acceptance of the charge or pledge, jewellery, title-deeds or other valuable goods on such terms as may be agreed on;

(14) the managing, selling and realizing of all property whether movable or immovable which may in any way come into the possession of the Bank in satisfaction or part satisfaction of any of its claims, and acquisition and holding of, and generally the dealing with, any right, title or interest in any property movable or immovable which may be Bank's security for any advance or loan or may be connected with any such security;

(15) the transaction of pecuniary agency business on commission and the entering into of contracts of indemnity, suretyship or guarantee with specific security or otherwise, and the underwriting, participating in, and carrying out of the issue of any stock, shares, participation term certificates and other securities;

(16) the administration of estates for any purpose whether as an executor, trustee or otherwise and the acting as agents on commission in the transaction of the following kinds of business, namely:—

(a) the buying, selling, transferring and taking charge of any securities or any shares in any public company, including the investment of firms of its account holders;

(b) the receiving of the proceeds whether principal, interest or dividends, of any investments, securities of shares;

(c) the remittance of such proceeds by public or private bills of exchange, payable either in Pakistan or elsewhere or by other means;

(17) the drawing of bills of exchange and the granting of letter of credit payable out of Pakistan;

(18) the buying of bills of exchange payable out of Pakistan;

(19) the paying, receiving, collecting and remitting money, bullion and securities under any agreement with the State Bank of Pakistan as its agent, on behalf of Government undertaking and transacting any business which the State Bank of Pakistan may from time to time entrust to it;

(20) the establishing and discontinuing of branches and agencies;

(21) the acquiring, maintaining and transferring of the Bank's residential and business premises;

(22) to sue or be sued, to commence, prosecute, continue and defend all actions, suits or legal proceedings whether civil, criminal or revenue including proceedings to procure or establish the bankruptcy or insolvency or winding up of any company, to compromise or refer to arbitration any claims or dispute to engage and appoint solicitors, advocates, pleaders and to sign and verify plaints, written statements, warrants of authority or any other papers, writings or documents expedient or necessary to be made, signed, executed, verified, presented or filed;

(23) to carry on any other investment, finance, business allowed by the Controller of Capital Issues or any other authority having jurisdiction with the exception of Insurance business as defined in the Banking Companies Act, 1962 and the Insurance Act, 1938;

(24) Subject to the consent of the Controller of Capital Issues or any other authority having jurisdiction to carry on all or any of the following business:—

(i) To undertake the business of Leasing and leasing operation of all kinds of property, plant, machinery and equipment, etc;

(ii) To constitute trust and act as trustee of any deeds with a view to the issuing of Modarabas;

(25) the taking over of the business, including the capital assets and liabilities of any other bank, with the sanction of Government;

(26) the granting of advances or loans to any other bank;

(27) with the previous permission in writing of the Government and the State Bank of Pakistan:—

(28) the advancing of money on non-interest basis and according to the various modes of financing as approved by the State Bank of Pakistan from time to time;

(29) the undertaking of lease financing; and

(30) generally, the doing of all such matters and things as may be incidental or subsidiary to the transacting of the various kinds of business including foreign exchange business herein specified.

Business which the Bank is not authorised to transact.

18. The Bank shall not transact any kind of banking business specified herein below:—

(1) The Bank shall not make any advance or loan upon the security of its own shares;

(2) The Bank shall not discount or buy or advance or lend an amount exceeding in the whole at any one time such sum as may be prescribed;

(3) The Bank shall not discount or buy or advance or lend or open cash credits on the security of any negotiable instrument of any individual or partnership firm, payable in the town or at the place whether it is presented for discount, which does not carry on it the responsibilities of at least two persons or firms unconnected with each other in general partnership:

(4) The Bank shall not grant to any person who has been elected or appointed as a Director and for so long as he continues to hold that office any advance, loan, credit, limit, guarantee or other facilities, or alter to his advantage the terms and conditions of any advance, loan, credit, limit, guarantee or other facility granted before his selection or appointment as a Director:

Provided that nothing in this clause shall prevent the Bank from continuing or renewing any such advance, loan, credit limit, guarantee or other facilities as may have already been granted to such person before his election or appointment as a Director.

Exceptions.

19. Notwithstanding anything contained in this Ordinance, the Bank is authorised to—

(1) grant or advance loans to its officers and staff for the purpose of building residential houses, including the cost of land, on such security, including immovable property, and on such terms and conditions and for such periods as may be decided generally or in a special case by the Board;

(2) grant or advance loans, for any period exceeding one year but not exceeding five years, to such small and medium industries as may, from time to time, be specified by the Board on such terms and conditions as may be decided by it:

Provided that the amount of advances and loans outstanding at any time under this clause shall not exceed five percent of the total amount of bank deposits at such time;

(3) grant or subsidize, from time to time, pensions, gratuities, bonuses or other funds created for the benefit of its officers and staff or their dependents;

(4) contribute to the promotion of research in banking and allied subjects; and

(5) donate funds for any charitable objects or to any charitable institutions or societies.

Auditors.

20. (1) Not more than two Auditors who shall be Registered Accountants shall be elected and their remuneration fixed at the general meeting. The auditors may be shareholders, but no Director or other officer of the Bank shall be eligible during his continuance in office. Any auditor shall be eligible on quitting office for re-election.

(2) The first auditors of the Bank may be appointed and their remuneration fixed by the Board before the general meeting and if so appointed shall hold office only until the first general meeting. All auditors elected under this section shall severally be and continue to act as auditors until the first general meeting after their respective elections:

Provided that if any casual vacancy occurs in the office of any auditor elected under this section, the vacancy may be filled by the Board.

Rights and duties of Auditors.

21. (1) Every Auditor shall be supplied with a copy of the annual balance sheet and statement of profit and loss accounts and it shall be his duty to examine the same, with the accounts and vouchers relating thereto.

(2) The auditors shall make a report to the shareholders and to the Government as the case any be, upon the annual balance sheet, and the statement of profit and loss accounts, and in every such report they shall state whether, in their opinion, the balance sheet and the statement of profit and loss accounts are full and fair statements containing the prescribed particulars and properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs, and in case they have called for any explanation or information from the Board whether it has been given and whether it is satisfactory. Any such report made to the shareholders shall be read together with the report of the Board at the general meeting.

Other Auditors.

22. To ensure strict internal control, the Bank shall structure its internal Audit Department which shall be directly reporting to the Board. The Bank shall also be subject to audit/inspection by the Inspection Teams of the State Bank of Pakistan or auditors appointed by Government.

Powers and duties of Board

23. POWERS AND DUTIES OF THE BOARD.

a. GENERAL MANAGEMENT POWERS.

The business of the Bank shall be managed by the Board, which may pay all expenses incurred in promoting and establishing the Bank and may exercise all such powers of the Bank as are not by this Ordinance required to be exercised by the Bank in general meeting, subject nevertheless to the provisions of this Ordinance and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Bank in general meeting but no regulation made by the bank in General Meeting shall invalidate any prior act of the Director which would have been valid if that regulation has not been made.

b. SPECIAL POWERS.

Without prejudice to the general powers conferred by the foregoing provisions and to any other powers or authorities conferred by this Ordinance on the Board, it is hereby expressly declared that the Board shall have the following powers, that is to say, power—

(i) **TO PAY PRELIMINARY EXPENSES.**

To pay the cost, charges and Expenses Preliminary and incidental to the promotion, formation, establishment and registration of the Bank.

(ii) **TO ACQUIRE AND DISPOSE OF PROPERTY AND RIGHTS.**

To purchase or otherwise acquire for the Bank any property, rights or privileges which the Bank is authorised to acquire at such price and generally on such terms and conditions as they think fit, and to sell, let, exchange or otherwise dispose of absolutely and conditionally any part of the property, privileges and undertaking of the Bank upon such terms and conditions, and for such consideration as they think fit; provided that the Board shall not except with the consent of the General Meeting sell, lease or otherwise dispose of the undertakings or a sizable part thereof or, remit, give any relief or give extension of time for the repayment of any debt outstanding against any person, Bank or agency.

(iii) **TO PAY FOR PROPERTY IN DEBENTURES.**

At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Bank either wholly or partly in cash or in shares, bonds, debentures, PTCs, or any redeemable capital or other securities of the Bank and any such shares may be issued either as fully paid up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds, debentures, participation term certificates, or any, redeemable capital or securities may be either specially charged upon all or any part of the property of the Bank not so charged.

(iv) **TO DRAW BILLS.**

To make, draw, endorse, sign, accept, negotiate and give all cheques, bills of lading, drafts, orders, bills of exchange, participation term certificates, musharika certificates, term finance certificates, Government of Pakistan and other Promissory Notes and negotiable instruments or other redeemable capital documents required for the business of the Bank.

(v) **TO SECURE CONTRACT BY MORTGAGES**

To secure the fulfillment of any contracts, agreements or engagements entered into by the Bank by mortgage or charge of all or any part of the property of the Bank or in such other manner as it may think fit.

(vi) **TO APPOINT OFFICERS.**

To appoint and at its discretion remove or suspend such Agents, Managers, Secretaries, Officers, Clerks and servants for permanent, temporary or special services as it may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.

(vii) **TO APPOINT TRUSTEES.**

To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Bank any property belonging to the Bank or in which it is interested or for any other purposes and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust land to provide for the remuneration of such trustee or trustees.

(viii) **TO BRING AND DEFEND ACTIONS.**

To bring and defend legal proceedings of every description and to remit, give any relief or give extension of time for the repayment of any debt outstanding against any person specified in sub section (1) of section 195 of Companies Ordinance, 1984.

(ix) **TO REFER TO ARBITRATION.**

To refer any claims or demands by or against the Bank to arbitration and observe and perform the award.

(x) **RECEIPTS.**

To make and give receipts, releases and other discharges for money payable to the Bank and for the claims and demands of the Bank.

(xi) **TO ACT IN MATTERS OF BANKRUPTS AND INSOLVENTS.**

To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(xii) **TO AUTHORIZE ACCEPTANCE.**

To determine who shall be entitled to sign on the Bank's behalf bills, notes, receipts, acceptance endorsements, cheques, releases, contracts and documents.

(xiii) **TO APPOINT ATTORNEYS.**

From time to time to provide for the management of the affairs of the Bank in different parts of the Province of Sindh in such manner as they think fit, and in particular to establish branch offices and appoint any persons to be the attorneys or Agents of the Bank either in different parts of the Province of Sindh or outside in such manner as they think fit, with such powers to sub-delegate and upon such terms as may be thought fit.

(xiv) **TO INVEST MONEY.**

To invest and deal with any of the surplus moneys of the Bank not immediately required for the purposes thereof upon such securities (not being share in the Bank) and in such manner as they may think fit, and from time to time vary or realize such investment.

(xv) **TO GIVE SECURITY BY WAY OF INDEMNITY.**

To execute in the name and on behalf of the Bank subject to the provisions of this Ordinance in favour of any Director or other person who may incur or be about to incur any personal liability for the benefits of the Bank such mortgage of the Bank's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

(xvi) **TO GIVE PERCENTAGE.**

To give to any person, employed by the Bank, a commission on the profits of any particular business or transactions or a share in the general profits of the Bank and such commission or share of profits shall be treated as part of the working expenses of the Bank.

(xvii) **TO MAKE BYE-LAW.**

From time to time to make, vary and repeal bye-laws for the regulation of the business of the Bank, terms and conditions of its officers, employees.

(xviii) **TO SECURE PAYMENT.**

To borrow or secure the payment of any sum or sums of money for the purpose of the Bank's business from any persons, firms or companies (expressly including any member of the Bank) and may themselves lend any such sum or sums.

(xix) **ISSUANCE OF SECURITY**.

To secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures, redeemable capital or any mortgage charge, lien or other security on the undertaking or the whole or any part of the property of the Bank (both present and future).

(xx) **TO CONTRACT.**

To enter into all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Bank as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Bank.

(xxi) **TO ESTABLISH AND SUPPORT CHARTABLE OBJECTS.**

To establish, maintain, support and to subscribe to any charitable or public object, and any institution, society, or club which may be for the benefit of the Bank or its employee, or may be connected with any town or place where the Bank carries on business or to give pensions, gratuities, or charitable aid to any person ,or persons who have served Bank or to the wives, children, or dependents of such person or persons, that may appear, to the Directors, just or proper, whether any such person, his widow, children or dependents have or have not a legal claim upon the Bank.

(xxii) **TO SET ASIDE PROFITS FOR PROVIDENT FUND.**

Subject to the provisions of this Ordinance, and before recommending any dividends, to set aside portions of the profits of the Bank to form a fund to provide for such pension, gratuities or compensation, or to create any provident or Benefit fund in such or any other manner as the Director may deem fit.

(xxiii) **TO DELEGATE POWERS.**

Subject to the restrictions provided under this Ordinance, to delegate all or any of the powers hereby conferred upon it to such Managers, Officers, Persons, or corporate bodies as it may from time to time think fit.

Liquidation of the Bank.

24. Nothing in the Companies Ordinance, 1984, shall apply to the Bank and the Bank shall not be placed in liquidation save by the order of the Government, and in such manner and under such terms and conditions including the terms as to calls on and forfeiture of shares, as Government may by its order of liquidation direct.

By laws

25. (1) The Board may, with the previous approval of the shareholder, make bye-laws not inconsistent with this ordinance to provide for all matters for which provision is necessary and convenient for the purpose of giving effect to the provisions of this Ordinance.

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

(i) the maximum amounts which may be advanced or lent to or for which bills may be discounted for or purchased from, any individual, partnership firm, firm limited by shares or corporate body with or without security on such terms and conditions as decided by the Board;

(ii) the conditions subject to which loan advances may be made to officers or others staff of the Bank, or the relatives of such officers, or other staff or to companies, firms or individuals with which or with whom such Directors, officers or other staff or relatives are connected as partners, directors, managers, shareholders or otherwise;

(iii) the manner and terms and conditions subject to which the Bank may take over the business, including the capital, assets and liabilities, of any other bank, Modaraba, Leasing company, or investment Bank;

(iv) the granting of advances or loans to any other bank for the purpose of averting or facilitating, its

winding up;

(v) the procedure and manner in which the capital of the Bank may be increased or reduced;

(vi) the acquisition, maintenance and transfer of the Bank's residential and business premises;

(vii) the contents, maintenance, inspection and closure of the register of shareholders;

(viii) the books and accounts to be kept at the various offices of the Bank;

(ix) the balancing of accounts and ascertainment of profit and loss;

(x) the form and manner in which the balance sheet and the statement of profit and loss shall be drawn up;

(xi) the determination and payment of dividend and transfer of profits to reserves;

(xii) the preparation and transmission of returns to the registrar of joint stock companies and to Government;

(xiii) the evidential values, form, issue and renewal of certificate of shares;

(xiv) the calls on shares, the payment of such calls, joint and several liabilities of shareholders in respect of such calls, the Bank's lien on shares, the manner of its enforcement, forfeiture and the application of proceeds of sales;

(xv) the manner in which and the conditions subject to which shares may be allotted, held, transferred and transmitted and generally all matters relating to the rights and duties of shareholder.

(xvi) the manner in which general and special meetings shall be convened and held, the quorum thereat, the procedure to be followed at such meetings, the manner in which votes may be exercised and the appointment and election

of Chairman of such meetings;

(xvii) the holding and conduct of elections under this Ordinance;

(xviii) the final decisions on doubts and of disputes regarding the qualifications of candidates or the validity of elections;

(xix) the manner in which meetings of the Board shall be convened and held, their quorum, the procedure to be followed at such meetings, votes of Directors, and ex-office Members and the manner in which they may be exercised, and the appointment or/ and election of Chairman of such Board;

(xx) the effect of vacancies in the Board and of subsequent discovery of disqualifications of a Director;

(xxi) the obligations and immunities of Directors;

(xxii) the distribution of business amongst the Directors and their remuneration, if any;

(xxiii) The delegation of any powers of the Board to committees consisting of Directors, as the case may be and the conduct of business in such committees;

(xxiv) the establishment and discontinuance of branches and agencies in Sindh or elsewhere and the nature and extent of the business any branch or agency may transact;

(xxv) the conduct, institution and defence of legal proceedings and the manner of signing pleadings;

(xxvi) The addresses of shareholders and the issue and service of notices;

(xxvii) the service of notice on the Bank; and

(xxviii) generally, for the efficient conduct of the business, discharge of functions and management of the Bank.

Jurisdiction barred

26. No suit, prosecution or other legal proceedings shall lie against the Board, Chairman, Managing Director or any other official of the Bank or Government for anything which is done in good faith or is intended to be done under this Ordinance or bye-laws framed under it.