

**THE AZAD JAMMU AND KASHMIR MINERAL AND
INDUSTRIAL DEVELOPMENT CORPORATION ACT, 1971**

(ACT XVII OF 1971)

An Act regarding Mineral and Industrial Development Corporation for Azad Jammu and Kashmir ;

It is hereby enacted as follows :-

CHAPTER I - PRELIMINARY

1. **Short title, extent and commencement:-** (1) This Act shall be called the Azad Jammu and Kashmir Mineral and Industrial Development Corporation Act, 1971.
 - (2) It shall extend to the whole of Azad Jammu and Kashmir Territory.
 - (3) It shall come into force at once.
2. **Definitions:-** In this Act, unless there is anything repugnant in the subject or context:
 - (a) 'Board' means the Board of Directors of the Corporation;
 - (b) 'Chairman' means the Chairman of the Corporation;
 - (c) 'Corporation' means the Azad Jammu and Kashmir Mineral and Industrial Development Corporation established under Section 3 (1) of the Act ;
 - (d) 'Deputy Commissioner' means the Deputy Commissioner of that area and includes an officer appointed by the corporation for an area to exercise or discharge all or any of the powers or functions of a Deputy Commissioner under this Act;
 - (e) 'Director' means a Director of the Corporation but does not include an Executive Director;
 - (f) 'Government' means the Azad Government of the State of Jammu and Kashmir;
 - (g) 'Land' includes buildings and benefits arising out of land and

thing attached to the earth or permanently fastened to any thing attached to the earth;

- (h) 'Local authority' means a local authority as established under law for the time being in force;
- (i) 'Minerals' means all minerals excluding mineral necessary for the generation of nuclear energy and Mineral oil and natural gas;
- (j) 'Prescribed' means prescribed by rule ;
- (k) 'Project' means a project prepared under this Act;
- (l) 'Rules' means rules made under this Act ;
- (m) 'Scheduled bank' means a bank for the time being included in the list of banks maintained under sub-section (1) of Section 37 of the State Bank of Pakistan Act, 1956, (XXXIII of 1956);
- (n) 'Standing order' means a standing order made under this Act.

CHAPTER II CONSTITUTION OF THE CORPORATION.

- 3. **Establishment of Corporation and its offices:-** (1) The Government shall establish a corporation to be called the Azad Jammu and Kashmir Mineral and Industrial Development 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 moveable and immoveable and shall by the said name sue and sued.
 - (3) The head office of the Corporation shall be at a place in Azad Jammu and Kashmir territory to be notified by the Government in the Government Gazette.
 - (4) The Corporation may establish regional offices at such places as Government may direct.
- 4. **Management:-** (1) The general direction and determination of

the General policy of the Corporation and its affairs shall vest in the Board to be appointed by the Government and the Board may exercise all powers and do all acts and things which 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 sound principles of development and economic planning and shall be guided on the following matters and other matters of policy by such directions as the Government may from time to time give, namely:-

- (a) Approval of the Annual Budget, the Annual Development programme and the five year Development plan;
- (b) Sector wise allocation of funds for the projects to be included in the Annual Development Plan of the Five Year Plan and other projects,
- (c) Selection of areas for implementation of Projects or Schemes;
- (d) Determination of priorities for the execution of approved projects or schemes;
- (e) Sanction for projects or schemes not included in any plan;
- (f) appointment of officers of the Corporation;
- (g) entering into contracts for execution of projects through any agency; and
- (h) under developed areas shall be given priority.

(3) if any question arises as to whether any matter is a matter of policy or not the decision of the Government shall be final.

(4) If the Board fails to comply with any directions given to it under sub-section (2), the Government may remove the Directors including the Chairman and appoint a person or body of persons in their place to perform the functions of the Board until a new Board is constituted under Section 5.

(5) The Legislative Assembly of Azad Jammu and Kashmir will be informed of the progress of work of the Corporation by the

Government periodically, but at least once a year.

5. **Board of Directors:-** (1) The Government shall appoint a Board of Directors consisting of the following:-

- (a) A Chairman, who shall be a whole time officer of the Corporation.
- (b) Such other persons, technically qualified whose number shall not be less than three and not more than five, as the Government may deem fit:

Provided that when a member so appointed also holds an office under the Government his status shall not be lower than that of a Secretary to the Government.

(2) The Chairman and the other Directors shall hold office during the pleasure of the Government and, unless sooner removed the Chairman and the Directors referred in clause (e) of sub-section (1) shall hold office for a period of three years and may be appointed thereafter for a further term or terms of such duration as Government may determine.

(3) The meetings of the Board shall be convened by the Chairman as and when necessary or required by the Government or requested in writing by not less than two of the Directors and shall be held at such time and place as may be fixed by the Chairman.

(4) No act or proceedings of the Board shall be invalid on the ground of the existence of any vacancy in, or defect in the constitution of the Board.

(5) The Chairman or any other Director may at any time resign his office by writing under his hand addressed to the Government:

Provided that no resignation shall take effect until, it is accepted by Government.

6. **Remuneration and other conditions of service of Chairman:-** The Chairman shall receive such salary and allowance and shall be subject to such conditions of service as Government may determine.

7. **Dis-qualification of Directors:-** No person shall be or shall continue to be Director who:
- (a) is or, at any time, has been convicted of an offence involving moral turpitude ; or
 - (b) is or, at any time, has been adjudicated insolvent; or
 - (c) is found to be a lunatic or becomes of unsound mind; or
 - (d) is a minor; or
 - (e) has a financial interest in any scheme or has any interests directly or indirectly, which is in conflict with the interest of the Corporation; or
 - (f) at any time has been removed or dismissed from Government service.
8. **Powers and functions of Chairman and Directors:-** The Chairman and other Directors shall exercise such powers and perform such functions as are assigned to them by or under the Act.

**CHAPTER III
FUNCTIONS AND POWERS OF THE CORPORATION**

9. **Functions of the Corporation:-** The following shall be the functions of the Corporation, namely :-
- (a) Assessment of the potentialities for economic development of Azad Jammu and Kashmir;
 - (b) investigation and preparation of survey and feasibility reports in relation' to development projects;
 - (c) Investigation and preparation of survey and feasibility reports about mineral deposits and arrangement of exploitation of deposits on a commercial basis by the public and semi-public Sector, where necessary;
 - (d) Preparation and execution of development programme, projects and schemes relating to medium and large scale industry and exploitation of mineral resources and activities ancillary thereto;

- (e) Determination of the agency or agencies to whom the execution of development projects may be entrusted;
 - (f) Establishment of industries either by itself or by any institution or organization set up by it;
 - (g) Taking over, execution and management of such projects and schemes and training institutions as may be transferred to it by Government; and
 - (h) Such other functions as it may be directed by Government to perform.
10. **Powers of Corporation:-** (1) Subject to other provisions of this Act the Corporation may take such measures and exercise such powers as may be necessary for carrying out the purposes of this Act.
- (2) Without prejudice to the generality of the powers conferred by sub-section (1), the Corporation may:
- (a) undertake any work in pursuance of any approved project or scheme;
 - (b) procure plant, machinery, instruments and materials required for its use and dispose of such of them as are no longer required by it;
 - (c) incur any expenditure in connection with the discharge of its functions;
 - (d) enter into and perform all such contracts as may be necessary for the purposes of this Act;
 - (e) transfer by sale or otherwise any industrial Unit or project established by it to any person on such terms as may be agreed upon between the Corporation and such person;

Provided that no such transfer shall be made without prior approval of Government;

- (f) cause studies, surveys, experiments and technical researches to be made or contribute towards the cost of any such studies, surveys, experiments or technical researches undertaken by any other organization or person at the

instance of the Corporation;

- (g) issue, in respect of areas for which a development scheme is under preparation, interim orders restricting or prohibiting any change in the use of land or alteration of buildings, structures or installations;
- (h) cause any works obstructing the execution of any scheme to be removed;
- (i) seek and obtain from any agency or local authority advice and assistance for the preparation or execution of any scheme; or
- (j) with the previous sanction: of Government, impose development fee, water rate or any other fee or charge to meet the expenses incurred by the Corporation in the performance of its functions or on the provision of any benefits of services.

(3) Any local authority or agency whose advice or assistance is sought by the Corporation under sub-section (2) shall give the advice and assistance to the best of its ability, knowledge and judgment, and the additional expenditure if any, involved in giving such advice or assistance shall be allocated and borne in accordance with such terms as may be agreed upon between the local authority or agency and the Corporation.

(4) The Corporation may sanction Individual schemes relating to medium and large scale Industries costing less than twenty five lakh rupees nonrecurring and less than five lakh rupees recurring which are part of the five year plan and for the execution of which funds are available in the sanctioned budget of the Corporation.

(5) To assist it in the preparation, execution and evaluation of schemes the Corporation may have such Advisory Committees comprising of non-officials as it may deem fit.

11. **Borrowing Powers.-** (1) The Corporation may, with the previous approval in writing of the Government, raise funds for carrying out its functions by issuing bonds and debentures carrying interest at such rates as may be approved by Government.

(2) The repayment of the Principal and the payment of interest

due on the bonds and debentures issued by the Corporation shall be guaranteed by Government.

(3) The Corporation may, with the sanction of, and on such terms and conditions as may be approved by the Government, borrow in foreign currency from the international Bank for Reconstruction and Development, Asian Development Bank, or from any other sources money required for the purposes of this regulation.

12. **Execution of projects or Schemes through local authorities, and agencies:-** (1) The Corporation may enter into any arrangement with a local authority or any appropriate agency:-

(a) for the execution of a project on behalf of the Corporation; and

(b) for the taking over and maintenance of any of the works and services on behalf of the Corporation;

(2) The expenditure incurred on the execution of any project or on the taking over or maintenance of any work under subsection (1) shall be apportioned between the Corporation and the local authority or agency in such manner as they may agree upon.

13. **Amendment of Projects or Schemes:-** Any projects or schemes prepared under Section 9 may at any time be amended or modified:

(a) in case where the amended or modified projects or schemes exceed the financial powers of the Corporation, with the/previous approval in writing of the Government;

(b) in other cases,-by the Corporation.

14. **Power to acquire land:-** The Deputy Commissioner, if and when required by the Corporation in writing, shall acquire any land under the Land Acquisition Act for the purposes of this Act.

The Corporation may appoint one of its officers to be Collector for the purposes of acquisition of land. The Collector so appointed shall be deemed to be a Collector appointed under the Land Acquisition Act.-..

15. **Withdrawal of the Corporation from a Project Area:-** After

completion of a project or scheme, or at any other stage, Government may permit or require the Corporation to withdraw from the area of such Project or scheme and to make over the further operation and maintenance of the project or scheme to a body set up for the purpose by Government.

16. **Financial participation of local population:-** The Corporation shall, as far as possible, invite people living in the area to participate financially in the industrial projects or schemes or in the schemes sponsored for mineral development or any other scheme forming part of development.

CHAFFER IV ESTABLISHMENT

17. **Appointment and terms and conditions of service of Executive Directors:-** To assist the Chairman in the performance of his functions, the Board shall, with the prior approval of Government, appoint three Executive Directors, namely the Executive Director (Technical), the Executive Director (Administration) and the Executive Director (Finance), on such terms and conditions as may be determined by Government.

18. **Appointment of other officers and servants etc:-** Subject to the provisions of clause (f) of sub-section (2) of Section 4, the Corporation may, from time to time, appoint such officers, servants, experts and consultants as it may- consider necessary for the performance of its functions;

Provided that, in case of urgency the Chairman may, for a period not exceeding three months, appoint such officers, servants, experts or consultants as he deems fit and shall report every appointment so made to the Government within fifteen days.

19. **Recruitment, conditions of service and disciplinary powers:-** The Corporation shall prescribe by standing orders procedure for the appointment of its officers, other than Executive Directors, servants, experts and consultants, and the terms and conditions of their service including disciplinary powers and the constitution and management of a provident fund for them.

20. **Delegation of Powers to Chairman etc:-** The Corporation may by general or special order, delegate to the Chairman or a

Director, or as officer of the Corporation, any of its powers or functions under the act, subject to such conditions as it may think fit to impose.

CHAPER V FINANCE

21. **Funds:-** (1) The Corporation may request and receive from the Government a grant-in-aid with an initial non-lapseable fund of such amount on such conditions as the Government deems fit.
- (2) There shall be formed a fund to be known as the Azad Jammu and Kashmir Mineral and Industrial Development Corporation Fund which shall vest in the Corporation and shall be utilized by the Corporation to meet charges in connection with its functions under this Act including the; payment of salaries and other remuneration to the Chairman, Director, officers, servants, experts and consultants of the Corporation.
- (3) To the credit of the Azad Jammu and Kashmir Mineral and Industrial Development Corporation Fund shall be placed:
- (a) grants made by the Government or by the Government of Pakistan.
 - (b) loans obtained from the Government or from the Government of Pakistan.
 - (c) Sale proceeds of bonds or debentures issued under the authority of the Government.
 - (d) loans obtained with the special or general sanction of the Government.
 - (e) Foreign aid and loans obtained with the sanction of the Government.
 - (f) All other sums receivable by the Corporation.
22. **Limited Liability:-** The liability of the Government to the creditors of the Corporation shall be limited to the extent of grants made by the Government and the loans raised by the Corporation with the sanction of the Government.
23. **Budget:-** (1) In accordance with the time schedule to be laid

down by Government from time to time each year, the Corporation shall submit to the Government for approval in such form as may be prescribed by it a statement of the estimated receipts and expenditure in rupees in respect of the next financial year.

(2) In the manner prescribed by the Government, the Corporation shall, before the commencement of a financial year, also submit to the Government for approval a statement of the estimated receipts and expenditure in foreign exchange in respect of that financial year.

24. **Maintenance of accounts:-** The Corporation shall maintain complete and accurate books of accounts in such forms as may be prescribed by it;

Subject to the above separable accounts shall be maintained for all its projects, schemes and transactions.

25. **Audit:-** (1) The accounts of the Corporation shall be audited every year by the Auditor General of Azad Jammu and Kashmir on behalf of Government.

(2) The auditor General shall send three copies of the Audit report to the Corporation which shall forward two copies thereof with its comments to the Government.

(3) The Corporation shall comply with such directions as the Government may give for the rectification of any matter objected to in audit.

(4) A copy of the audit report shall be open to public inspection at the office of the Corporation.

(5) Nothing in sub-section (1) shall prevent the Corporation from appointing a competent auditor for the purpose of carrying out internal audit.

26. **Submission of yearly reports and returns:-** The Corporation shall submit to the Government, as soon as possible after the end of every financial year but before the last day of December next following, a report on the conduct of its affairs for that year.

(2) The Corporation shall, if so required by Government furnishes the Government with:

- (a) any return, statement, estimate, statistics, or other information regarding any matter under the control of the Corporation; or
 - (b) a report on any subject with which the Corporation is concerned; or
 - (c) a copy of any document in the charge of the Corporation.
27. **Powers to make rules:-** (1) The Corporation with the approval of Government may, by notification in the Government Gazette, make rules for carrying out the purposes of this Act.
- (2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for:
- (a) the relinquishment of managing agency in favour of any person;
 - (b) the manner of keeping accounts of the Corporation and the companies managed by it;
 - (c) the recruitment of officers, adviser and employees of the Corporation;-
 - (d) the terms and conditions of the officers, and employees of the Corporation, including the functions of the advisers;
 - (e) the borrowings by the Corporation;
 - (f) the purchase and sale of goods by the Corporation;
 - (g) the date by which, the form in which, the annual budget statement shall be submitted in each year;
 - (h) the procedure for appropriation and re-appropriation of money at the credit of the Corporation;
 - (l) the form and manner in which and the authorities to whom returns, reports or statements shall be submitted; and
 - (j) such other matters relating to the administration of the affairs of the Corporation as the Government may think fit to regulate by rules.

28. **Powers to make standing orders:-** (1) The Board may make standing orders to provide for all matters, not provided for in the rules for which provision is necessary or expedient for carrying out the purposes of this Act and the said rules.
- (2) In particular and without prejudice to the generality of the foregoing powers, such standing orders may provide for the:
- (a) meetings of the Board; and
 - (b) investment of the Corporation's funds.
29. **Dissolution of Corporation:-** (1) The Government may, by notification in the Government Gazette, declare that the Corporation shall be dissolved on such date as may be specified in such notification, and the Corporation shall stand dissolved accordingly.
- (2) Upon the dissolution of the Corporation under sub-section (1):
- (a) all properties and funds placed at the disposal of the Corporation by Government of Pakistan and all properties, funds and dues exchanged or derived from, or otherwise attributable to the said properties and funds, which immediately before the dissolution were vested in or were recoverable by the Corporation shall vest in or be held or be recoverable by the Government or by Government of Pakistan as the case may be;
 - (b) all properties, funds and dues other than those referred to in clause (a), which immediately before the dissolution, were vested in or were recoverable by the Corporation shall vest in and be recoverable by such agency as may be determined by the Government whose decision shall be final;
 - (c) the debt and liabilities incurred, obligations undertaken, contracts entered into and agreements made by or with the Corporation shall stand transferred to, and be deemed to have been incurred, undertaken, entered into or made by or with the Government or such agency as may be determined by Government whose decision shall be final;
 - (d) Government or such agency as it may decide may execute any project or scheme undertaken by the Corporation the

execution of which has not been fully completed before its dissolution and Government or the agency shall, for the purpose of execution of that project or scheme, exercise the powers and perform the functions of .the Corporation under this Act.

(3) An agency referred to in clause (b), (c) and (d) of sub-section (2) shall keep such accounts and records in respect of any property vested in, or any dues recovered or any scheme executed by it in such manner as Government may direct.
