

GOVERNMENT OF PUNJAB

DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS

**THE PUNJAB BACKWARD CLASSES LAND DEVELOPMENT
AND FINANCE CORPORATION ACT, 1976**

(PUNJAB ACT 27 OF 1976)

(As amended upto the 15th August, 2025)



2025

**THE PUNJAB BACKWARD CLASSES LAND DEVELOPMENT
AND FINANCE CORPORATION ACT, 1976
CONTENTS**

Preamble

Sections

**CHAPTER I
PRELIMINARY**

1. Short title
2. Definitions

**CHAPTER II
INCORPORATION OF PUNJAB BACKWARD CLASSES LAND
DEVELOPMENT AND FINANCE CORPORATION AND ITS
CAPITAL**

3. Establishment of Punjab Backward Classes Land Development and Finance Corporation
4. Head office of Corporation
5. Capital of Corporation

**CHAPTER III
MANAGEMENT OF THE CORPORATION**

6. Management
7. Board of Directors
8. Term of office
9. Disqualifications of office of director
10. Directors not to participate in certain cases
11. Removal and Resignation
12. Meetings
13. Executive Director
14. Defect in appointment not to invalidate acts, etc.
15. Officers and other employees of the Corporation
- 15-A. Validation

**CHAPTER IV
FUNCTIONS AND FUNDS OF THE CORPORATION**

16. Functions of Corporation
17. Corporation to maintain four funds
18. Land Development and Finance Fund
19. Guarantee Fund
20. Bad debts Fund

21. Relief and Common Good Fund

CHAPTER V

LOANS

22. Power to impose conditions for loans

23. Power to call repayment before agreed period

24. Recovery of money due to the Corporation

25. First charge of Corporation's loans on debtor's property

CHAPTER VI

ACCOUNTS AND AUDIT

26. Accounts

27. Audit

CHAPTER VII

MISCELLANEOUS

28. Dissolution of Board

29. Consequences of dissolution of Board

30. Bar of jurisdiction

31. Protection of action taken in good faith

32. Indemnity of Directors

33. Exemption from registration fee and stamp duty

33-A. Power of State Government to give directions

34. Power to make regulations

35. Power to make rules

**¹THE PUNJAB BACKWARD CLASSES LAND DEVELOPMENT
AND FINANCE CORPORATION ACT, 1976**

(Punjab Act No. 27 of 1976)

*[Received the assent of the President of India on the 11th June, 1976
and was first published for general information in the Punjab
Government Gazette (Extraordinary), Legislative Supplement, dated the
18th June, 1976.]*

1	2	3	4
Year	No.	Short Title	Whether repealed or otherwise affected by the legislation
1976	27	The Punjab Backward Classes Land Development and Finance Corporation Act, 1976	² Amended by Punjab Act No. 20 of 1981 ³ Amended by Punjab Act No. 20 of 1983 ⁴ Amended by Punjab Act No. 12 of 1995 ⁵ Amended by Punjab Act No. 5 of 2001 Amended by Punjab Act No. 19 of 2013

An Act to provide for the establishment of the Punjab Backward Classes Land Development and Finance Corporation.

BE it enacted by the Legislature of the State of Punjab in the Twenty-seventh Year of the Republic of India as follows:-

¹For Statement of Objects and Reasons. *see Punjab Government Gazette (Extraordinary)*, 1976, Page 275

²For Statement of Objects and Reasons. *see Punjab Government Gazette (Extraordinary)*, dated the 21st August, 1981, Page 938

³For Statement of Objects and Reasons. *see Punjab Government Gazette (Extraordinary)*, dated the 30th August, 1983, Page 1038

⁴For Statement of Objects and Reasons. *see Punjab Government Gazette (Extraordinary)*, dated the 21st March, 1995, Page 498

⁵For Statement of Objects and Reasons. *see Punjab Government Gazette (Extraordinary)*, dated the 21st March, 2001, Page 587

CHAPTER I PRELIMINARY

- Short title. 1. This Act may be called the Punjab Backward Classes Land Development and Finance Corporation Act, 1976.
- Definitions. 2. In this Act, unless there is anything repugnant in the subject or context,-
- (a) "agricultural development" includes development of dairy, poultry, piggery, sheep and cattle breeding, pisciculture and sericulture;
 - (b) a person shall be deemed to belong to a Backward Class-
 - (i) if he belongs to any of the castes, races, or tribes, or parts of, or groups within castes, races or tribes, specified by the State Government from time to time as backward classes, considering the social and economic conditions of the members thereof; or
 - ¹[(ii) If the annual income of his family is less than ten thousand rupees or if it less than such sum of rupees as may be specified by the State Government from time to time;]
 - (c) "Backward Classes Organisation" means a firm registered under the Partnership Act, 1932, a society registered under the Societies Registration Act, 1860,

¹Substituted by Punjab Act No. 12 of 1995, Section 2

or a co-operative society registered under the Punjab Co-operative Societies Act, 1961, all the partners or members whereof, as the case may be, belong to Backward Classes;

- (d) "Board" means the Board of Directors of the Corporation;
- (e) "Chairman" means the Chairman of the Corporation;
- (f) "Committee" means a Committee appointed under section 6(2) of this Act;
- (g) "Corporation" means the Punjab Backward Classes Land Development and Finance Corporation established under section 3 of this Act;
- ¹[(h) "director" means a director of the Board and includes the Chairman and the Vice-Chairman;]
- (i) "family" in relation to a person means the person, the wife or husband, as the case may be, of such person and in case of a person dependent upon his parents, such parents;
- (j) "Governor" means the Governor of the State of Punjab;
- (k) "marketing" means all activities relating to the transport, grading, pooling, marketing and sale of

¹Substituted by Punjab Act No. 19 of 2013, Section 2, on and with effect from the 13th July, 2011.

agricultural or industrial produce, whether in the primary form or in semi-processed or processed form;

- (l) "prescribed" means prescribed by rules made under this Act;
- (m) "processing" means all activities relating to the processing of agricultural produce so as to make it marketable or fit for consumption and includes purchase and storage of raw-material, purchase of equipment, and purchase, installation and running of machinery, required for such processing and for storage of finished produce;
- (n) "small-scale industry" means all cottage and small-scale industry including industry engaged in fabrication, repairs and maintenance of agricultural machinery and equipment, in which capital investment does not exceed five lacs of rupees;
- (o) "State" means the State of Punjab;
- (p) "State Government" means the Government of the State of Punjab;
- (q) "supply and storage of agricultural produce" includes supply and storage of agricultural inputs and establishment, maintenance and running of storage, cold storages and warehouses;

¹[(r) “Vice-Chairman” means the Vice-Chairman of the Corporation.]

CHAPTER II
INCORPORATION OF PUNJAB BACKWARD CLASSES LAND
DEVELOPMENT AND FINANCE CORPORATION AND ITS
CAPITAL

Establishment of Punjab Backward Classes Land Development and Finance Corporation.

3. (1) The State Government may, by notification from such date as it may specify in this behalf, establish for the purposes of this Act a Corporation to be called the Punjab Backward Classes Land Development and Finance Corporation.

(2) The Corporation shall be a body corporate with the name aforesaid having perpetual succession and a common seal with powers, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and may, by that name, sue and be sued.

Head Office of Corporation.

4. (1) The Head Office of the Corporation shall be at Chandigarh or at such other place as the State Government may, by notification, specify.

(2) The Corporation may establish offices or agencies at such places within or outside the State as it may think fit.

Capital of Corporation.

5. (1) The capital of the Corporation shall be such sum not exceeding ²[ten crores] of rupees as the State Government may fix:

Provided that where the capital initially fixed is less than 9[ten crores] of rupees the State Government may, from time to time,

¹Added by Punjab Act No. 19 of 2013, Section 2, on and with effect from the 13th July, 2011.

²Substituted for words “five crores” by Punjab Act No. 20 of 1983, Section 2

increase the capital to such sum not exceeding 9[tен crores] of rupees as it may think fit.

(2) Such capital may be provided subject to such terms and conditions as may be determined by the State Government.

CHAPTER III MANAGEMENT OF THE CORPORATION

6. (1) The general superintendence, direction and management of the affairs and business of the Corporation shall vest in a Board which may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation under this Act.

(2) Subject to any rules made in this behalf, the Board may from time to time appoint one or more Committees for the purpose of securing the efficient discharge of its functions.

(3) The Board in discharging its functions shall act on sound business principles having regard to public interest, welfare of Backward Classes and solvency of the Corporation and shall be guided by such instructions on questions of policy as may be given to it by the State Government.

(4) If any doubt arises as to whether a question is or is not a question of policy, the decision of the State Government thereon shall be final.

7. ¹[(1) The Board shall consist of an Executive Director appointed under section 13 and the following other directors:-

¹Substituted by Punjab Act No. 20 of 1981, Section 2, on and with effect from the 27th day of April, 1981.

- (a) The Secretary to Government of Punjab in the Department of Welfare or an officer of that Department not below the rank of Deputy Secretary nominated by him, *ex officio*;
- (b) The Secretary to Government of Punjab in the Department of Finance or an officer of that Department not below the rank of Deputy Secretary nominated by him, *ex officio*;
- (c) The Secretary to Government of Punjab in the Department of Agriculture or an officer of that Department not below the rank of Deputy Secretary nominated by him, *ex officio*;
- (d) The Secretary to Government of Punjab in the Department of Industries or an officer of that Department not below the rank of Deputy Secretary nominated by him, *ex officio*;
- ¹[(dd) The Director, Welfare of Schedule Castes and Backward Classes, Punjab, *ex officio*;
- (e) Four directors to be nominated by the State Government from amongst persons belonging to Backward Classes who have special knowledge of agriculture, agro-industries, water development projects, finance or co-operation.]

¹Inserted by Punjab Act No. 5 of 2001, Section 2

¹[(2) The State Government shall appoint the Chairman and the Vice-Chairman from amongst the Directors.]

(3) On the occurrence of any vacancy in the office of a director due to death, resignation or otherwise the same shall be filled up by the State Government in the manner provided in sub-section (1).

(4) Subject to the provisions of this Act, the terms and conditions of appointment of the directors and the fees and allowances payable to them, shall be such as may be prescribed.

Term of office.

²[8. The term of office of the directors other than the *ex officio* directors and the Executive Director shall be one year and they shall be eligible for re-nomination.]

Disqualifications of officer of Director.

9. A person shall be disqualified for being nominated as, and for being, a Director-

(a) if he is or at any time has been adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors;

(b) if he is of unsound mind and stands so declared by a competent court.

¹Substituted by Punjab Act No. 19 of 2013, Section 3, on and with effect from the 13th July, 2011.

²Substituted by Punjab Act No. 20 of 1981, Section 3, on and with effect from the 27th day of April, 1981. Also see the section 7 of the Amending Act which is reproduced below:

7. For the removal of doubt, it is hereby declared that the term of office of directors laid down in the principal Act as amended by this Act shall also apply to each director, other than the *ex-officio* director and the Executive Director, holding office on the date of commencement of this Act and accordingly any director holding office as such, on the date of commencement of this Act shall, -

(i) if the term of office of one year in his case expires or has expired on or before such commencement, cease to hold his office on such commencement; and	New term of office to apply to existing directors
(ii) if the term of office of one year in his case expires after such commencement, cease to hold his office on the expiry of the aforesaid term of one year.	also.

- (c) if he is or has been convicted of any offence which in the opinion of the State Government involves moral turpitude; or
- (d) if he has been removed or dismissed from the service of any State Government or Central Government or Corporation owned or controlled by any State Government or Central Government.

Directors not to participate in certain cases.

10. A Director who has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Board or a Committee thereof shall, as soon as possible, after the relevant circumstances have come to his knowledge disclose the nature of his interest at such meeting and the disclosure shall be recorded in the minutes of the meeting of the Board or the Committee, as the case may be, and the Director shall not take any part in any deliberation or decision of the Board or the Committee with respect to that matter.

Removal and Resignation.

11. (1) The State Government may at any time remove any director¹[nominated under clause (e) of sub-section (1) of section 7] from office, if in its opinion, such director-

- (a) is or has become subject to any disqualification mentioned in section 9;
- (b) is absent without leave of the Board from more than three consecutive meetings thereof without a cause sufficient in the opinion of the Board to exonerate his absence;

¹Inserted by Punjab Act No. 20 of 1981, Section 4, on and with effect from the 27th day of April, 1981.

- (c) has acted in contravention of the provisions of section 10; or
- (d) has been guilty of misconduct in the discharge of his duties:

Provided that no order of removal shall be passed without giving the Director a reasonable opportunity of showing cause against the proposed order.

¹[(1-A)If in the opinion of the State Government, the Board fails to carry out its functions or refuses or fails to follow the instructions given to it by the State Government for the purpose of giving effect to the provisions of this Act and such failure or refusal is in its opinion attributable to the ²[Chairman or the Vice-Chairman] or any non-official director, the State Government may, after giving an opportunity of being heard, remove the¹⁶[Chairman or the Vice-Chairman] or the non-official director as the case may be.]

(2) A Director may resign his office by giving notice thereof in writing to the State Government and on such resignation being accepted he shall be deemed to have vacated his office.

12. (1) The Board shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Corporation under this Act.

¹Inserted by Punjab Act No. 20 of 1981, Section 4, on and with effect from the 27th day of April, 1981.

²Substituted for word "Chairman" by Punjab Act No. 19 of 2013, Section 4, on and with effect from the 13th July, 2011.

¹[(2) If for any reason, the Chairman is unable to attend any meeting, the Vice-Chairman, and in his absence, any other director, elected from amongst the directors present at the meeting, shall preside at the meeting.]

²[(3) All questions, which come up before any meeting, shall be decided by a majority of the votes of directors present and voting, and, in the event of equality of votes, the Chairman, or in his absence, the Vice-Chairman, or in his absence, the director presiding over the meeting, shall have and exercise a second or casting vote.]

13. (1) The State Government shall appoint³[***] an officer of the State Government, as Executive Director who shall hold that office during its pleasure.

(2) The Executive Director who shall be a whole-time officer of the Corporation shall-

- (a) be its Chief Executive Officer;
- (b) be responsible for the operational management of the Corporation and implementation of the general policies approved by the Board;
- (c) perform such duties as the Board may by regulations or otherwise assign to him;
- (d) receive such salary and allowances and be governed by such terms and conditions of service as maybe determined by the Board and approved by the State Government.

¹Substituted by Punjab Act No. 19 of 2013, Section 5, on and with effect from the 13th July, 2011.

²Substituted by Punjab Act No. 19 of 2013, Section 5, on and with effect from the 13th July, 2011.

³Omitted by Punjab Act No. 20 of 1981, Section 5, on and with effect from the 27th day of April, 1981.

(3) If the Executive Director is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his appointment, the State Government may appoint another director who is an officer of the State Government to act in his place during his absence.

Defect in appointment not to invalidate acts, etc.

14. (1) No act or proceeding of the Board or any of its Committees shall be questioned or be invalid on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Board or the Committee as the case may be.

(2) No act done by any person acting in good faith as a director or member of any Committee shall be deemed to be invalid merely on the ground that he was disqualified to be a director or member or there was any other defect in his nomination.

Officers and other employees of the Corporation.

15. (1) The Board may appoint such officers and employees as it considers necessary for the efficient performance of the functions of the Corporation and determine by regulations or otherwise their conditions of appointment and service and the remuneration payable to them.

(2) The Board shall in respect of reservation of appointments and posts in favour of the members of Scheduled Castes and Backward Classes comply with such directions as may be issued by the State Government from time to time for ensuring adequate representation to such members in the service under the Corporation.

(3) The Board may, by general or special order, delegate to ¹[the Chairman, the Vice-Chairman,] the Executive Director, Director, or to any

¹Substituted for words "the Chairman" by Punjab Act No. 19 of 2013, Section 6, on and with effect from the 13th July, 2011.

other officer or employee of the Corporation, subject to such conditions and limitations, if any, as may be specified, such of its powers and duties under this Act, except the power to make regulations, as it may deem necessary.

Validation.

¹[15-A. Notwithstanding the Punjab Backward Classes Land Development and Finance Corporation (Amendment) Ordinance, 2011 (Punjab Ordinance No. 6 of 2011), ceased to operate, the appointment of the Vice-Chairman made under the provisions of this Act, as amended by the said Ordinance, shall be deemed to be validly continued as if the appointment of the Vice-Chairman was made under the provisions of this Act, as amended by the Punjab Backward Classes Land Development and Finance Corporation (Amendment and Validation) Act, 2012.]

CHAPTER IV FUNCTIONS AND FUNDS OF THE CORPORATION

Functions of Corporation.

16. (1) Subject to the provisions of this Act, it shall be the primary duty of the Corporation to undertake the task of economic uplift of the members of the Backward Classes in the State.

(2) Without prejudice to the generality of the foregoing provision, such power shall include the power-

(i) to plan, promote and undertake, on its own or in collaboration with or through such Backward Classes Organisations or other agencies as may be approved by the Board, programmes of agricultural development, marketing, processing, supply and storage of agricultural produce, small-scale industry, building construction, transport and

¹Inserted by Punjab Act No. 19 of 2013, Section 7, on and with effect from the 13th July, 2011.

such other business, trade or activity as may be approved in this behalf by the State Government;

- (ii) to provide financial assistance to members of Backward Classes or Backward Classes Organisations by advancing to them in cash or in kind loans including loans under hire-purchase system for any of the purposes specified in clause (i) either directly or through such agency, organisation or institution as may be approved by the Board;
- (iii) to give on hire agricultural or industrial machinery or equipment to the members of Backward Classes or to Backward Classes Organisations;
- (iv) to give grants and subsidies to, and to guarantee loans taken by the members of Backward Classes or by Backward Classes Organisations;
- (v) to borrow money subject to such conditions as the Board may specify;
- (vi) to receive gifts, grants and donations;
- (vii) to issue bonds and debentures;
- (viii) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, bills, warrants, debentures and other negotiable instruments;
- (ix) to invest or deposit surplus funds of the Corporation in Government securities or in such other manner as the Board may decide;

- (x) to enter into contracts; and
- (xi) to discharge such other functions as may be prescribed or as are supplemental, incidental or consequential to any of the functions conferred on it under this Act.

Corporation to maintain four funds.

17. The Corporation shall establish and maintain four separate funds namely:-

- (a) Land Development and Finance Fund;
- (b) Guarantee Fund;
- (c) Bad Debts Fund; or
- (d) Relief and Common Good Fund.

Land Development and Finance Fund.

18. Save as otherwise provided in sections 19 and 20-

- (1) all amounts that are received by the Corporation from any source whatsoever shall be credited to the Land Development and Finance Fund;
- (2) all amounts that are extended by the Corporation shall be debited to this Fund.

Guarantee Fund.

19. (1) To the Guarantee Fund shall be credited every year such sum as may be placed at the disposal of the Corporation for that purpose by the State Government and the interest accrued from time to time on such sum shall also be added every year to this Fund.

(2) The Corporation may also contribute to this Fund such portion of its net profits as may be decided by the Board.

(3) The Guarantee Fund shall be used in connection with the furnishing of guarantees in respect of loans taken by the members of

Backward Classes or by Backward Classes Organisations in such manner as may be prescribed.

Bad Debts Fund.

20. (1) To the Bad Debts Fund shall be credited every year-
- (a) by the Corporation ten per centum of its net profits; and
 - (b) by the State Government such amount as grant as may be equivalent to the amount credited under clause (a):

Provided that nothing herein shall be deemed to debar the State Government from giving such amount by way of additional grant for being credited to this Fund as it may think fit.

(2) The Bad Debts Fund shall be used in connection with irrecoverable debts of the Corporation in such manner as may be prescribed.

Relief and Common Good Fund.

21. (1) To the Relief and Common Good Fund shall be credited every year such amount not exceeding seven and a half per centum of the net profits of the Corporation as the Board may decide.

(2) The Relief and Common Good Fund shall be used for the purposes in connection with the welfare of the members of the Backward Classes in such form and manner as may be prescribed.

CHAPTER V LOANS

Power to impose conditions for loans.

22. In making any loan authorised by this Act, the Corporation may impose such conditions as it may think necessary or expedient for protecting the interests of the Corporation:

Provided that the rate of interest chargeable on such loans shall in no case exceed the rate of interest chargeable on the loans advanced under the Punjab State Aid to Industries Act, 1935.

Power to call
repayment
before agreed
period.

23. Notwithstanding anything to the contrary contained in any agreement, the Corporation may, by notice in writing, require any debtor to discharge forthwith in full his liabilities to the Corporation -

- (a) if it appears to the Board that any false or misleading information or particular was given in the application for loan;
- (b) if the debtor has failed to comply with any of the terms of the agreement entered into by him with the Corporation;
- (c) if there is a reasonable apprehension that the debtor is unable to pay the money due from him; or
- (d) if for any other reason it is necessary to do so to protect the interests of the Corporation.

Recovery of
money due to the
Corporation.

24. (1) Where any amount is due to the Corporation from any person, including the surety of a debtor, in respect of loans or advances or other financial accommodation granted by it, such amount shall, on a certificate being issued by the Executive Director in the prescribed form, be recoverable as arrears of land revenue by the Collector of the district in which the person from whom the amount is due resides or carries on business or owns any property.

(2) Before issuing the certificate referred to in sub-section (1) the Executive Director shall make an application to such officer,

unconnected with the business of the Corporation, as may be empowered by the State Government in this behalf and that officer shall by an order determine the amount due to the Corporation after giving an opportunity of being heard to the person concerned and communicate the same to the Executive Director.

(3) An appeal against an order passed by the officer empowered by the State Government under sub-section (2) shall lie within such period and to such authority as may be prescribed.

(4) The officer empowered under sub-section (2) and the appellate authority shall follow such procedure as may be prescribed.

(5) The certificate issued by the Executive Director under sub-section (1) shall be final and conclusive and shall not be called in question before any authority or court.

(6) For the purpose of recovering any amount due to the Corporation in respect of a loan it shall not be necessary to proceed against the principal before proceeding against his surety.

First charge of Corporation's loans on debtor's property.

25. Notwithstanding anything contain in any law for the time being in force, but subject to the provisions in any law made by Parliament relating to priority of charges and to any prior claim of a bank or of the Government in respect of land revenue or any money recoverable by it as arrear of land revenue, a loan advanced by the Corporation under this Act together with interest accrued thereon and costs of its recovery shall be first charge on the property of debtor.

¹[Provided that amount due under the Wealth Tax Act, 1957 (Central Act 27 of 1957), the Gift Tax Act, 1958 (Central Act 18 of 1958), the Income-tax, Act 1961 (Central Act 43 of 1961) and the Companies (Profits) Surtax Act, 1964 (Central Act 7 of 1964) shall have priority in matters of realisation over the loans advanced by the Corporation.]

Explanation.- In this section "bank" will mean and include-

- (i) a banking company as defined in the Banking Regulation Act, 1949;
- (ii) the State bank of India constituted under the State Bank of India Act, 1955;
- (iii) A subsidiary Bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959;
- (iv) a corresponding new bank constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970;
- (v) a Regional Rural Bank as established under section 3 of the Regional Rural Banks Act, 1976;
- (vi) any banking institution notified by the Central Government under section 51 of the Banking Regulation Act, 1949;
- (vii) the Agricultural Refinance and Development Corporation constituted under the Agricultural Refinance Corporation Act, 1963;

¹Inserted by Punjab Act No. 20 of 1981, Section 6, on and with effect from the 27th day of April, 1981.

(viii) the Agro Industries Corporation; and

(ix) any other financial institution notified by the State Government in this behalf.

CHAPTER VI ACCOUNTS AND AUDIT

Accounts.

26. (1) The balance-sheet and accounts including the profit and loss account of the Corporation shall be prepared and maintained in such form and manner as may be prescribed.

(2) The Board shall cause the books and accounts of the Corporation to be balanced and closed on the thirty-first day of March each year.

Audit.

27. (1) The accounts of the Corporation shall be audited once in every financial year, by auditors duly qualified to act as auditors under sub-section (1) of section 226 of the Companies Act, 1956, who shall be appointed by the Board and shall receive such remuneration from the Corporation as the Board may fix.

(2) The auditors shall be supplied by the Board with a copy of the annual balance sheet and the profit and loss account of the Corporation and it shall be their duty to examine them together with the accounts and vouchers relating thereto, and they shall have a list delivered to them of all books kept by the Corporation and shall at all reasonable times have access to the books, accounts and other documents of the Corporation and may require from any director or officer of the Corporation such information as the auditors may think necessary for the performance of their duties as auditors.

(3) The auditors shall make a report to the Corporation upon the annual balance sheet and accounts examined by them and in every such

report they shall state whether, in their opinion, the balance sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up so as to exhibit a true and fair view of the state of affairs of the Corporation.

(4) The Corporation shall furnish to the State Government, within four months from the date on which its accounts are closed and balanced, a copy of its balance-sheet and accounts together with a copy of the auditor's report, and a report on the working of the Corporation during the relevant year.

(5) Without prejudice to anything containing in the preceding sub- sections, the State Government may, at any time, appoint the Accountant- General, Punjab, to examine and report upon the accounts of the Corporation and any expenditure incurred by him in connection with such examination and report shall be payable by the Corporation to the Accountant-General, Punjab.

(6) Copies of the reports referred to in sub-sections (4) and (5) shall be laid by the State Government, as soon as may be, before the legislature of the State.

CHAPTER VII MISCELLANEOUS

Dissolution
of Board.

28. (1) No provision of law other than this Act, relating to the winding up, dissolution or liquidation of the companies or corporations shall apply to the Corporation.

(2) The State Government may, if the Corporation exceeds its powers, or upon receipt of a report under section 27 call upon the Board to show cause why it should not be dissolved, and if no explanation is offered

within the specified period, or if the State Government is not satisfied with the explanation, it may dissolve the Board from such date as may be specified.

Consequences of dissolution of Board.

29. (1) When the Board is dissolved under section 28-
- (i) all directors shall, from the date of dissolution, vacate their offices;
 - (ii) all powers and duties of the Board shall, during the period of dissolution, be exercised and performed by such person or persons as the State Government may appoint in this behalf;

(2) the State Government may, in its discretion, reconstitute the Board after such period as it may think fit.

Bar of jurisdiction.

30. Save as otherwise expressly provided in this Act, no civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Corporation or any officer or authority appointed under this Act is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

Protection of action taken in good faith.

31. No suit or other legal proceedings shall lie against the Corporation or any director or any officer or employee of the Corporation or any other person authorised by the Corporation or the State Government to discharge any functions under this Act for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.

Indemnity of Directors.

32. (1) Every director shall be indemnified by the Corporation against all losses and expenses incurred by him in the discharge of his duties, except such as are caused by his own wilful neglect or default.

(2) A director shall not be responsible for any other director, or for any officer or other employee of the Corporation or for any loss or expenses resulting to the Corporation from the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Corporation in good faith, or by the insolvency or wrongful act of any debtor or any person under obligation to the Corporation, or anything done in good faith, in the execution of the duties of his office or in relation thereto.

Exemption from registration fee and stamp duty.

33. All instruments executed by or on behalf of the Corporation in relation to its business shall be exempt from payment of stamp duty and registration fee:

Provided that exemption from payment of stamp duty shall apply in the case of such documents only as are not specified in the provisions of List I in the Seventh Schedule to the Constitution with regard to rates of stamp duty.

Power of State Government to give directions.

¹[33-A. The Corporation shall carry out such directions as may, from time to time, be issued to it by the State Government for the efficient administration of this Act.]

Power to make regulations.

34. (1) The Board may, from time to time, with the previous sanction of the State Government, make regulations not inconsistent with this Act and the rules made thereunder for the purpose of giving effect to the provisions of this Act.

¹Inserted by Punjab Act No. 5 of 2001, Section 3

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for-

- (a) all matters expressly required or allowed by this Act to be prescribed by regulations;
- (b) the time and places of meetings of the Board and the procedure to be followed in relation to such meetings including the quorum necessary for the transaction of business;
- (c) the conditions which the Corporation may impose in granting loans or entering into other arrangements;
- (d) the rate of interest on loans;
- (e) duties which the Executive Director shall perform;
- (f) the duties, conduct, salary, allowances and conditions of service of officers and other employees of the Corporation;
- (g) the delegation of powers and functions to the officers and employees of the Corporation;
- (h) the establishment and maintenance of provident fund and any other benefit fund for the officers and employees of the Corporation;
- (i) the classification of the members of Backward Classes on the basis of their income for the purpose of granting them loans and other concessions under this Act;

- (j) generally, the efficient conduct of the affairs of the Corporation.

Power to make rules.

35. (1) The State Government may, by notification, make rules to carry out all or any of the purposes of this Act.

(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) the terms and conditions of appointment of directors and the fee and allowances payable to them;
- (b) the form in which certificate shall be issued by the Executive Director, the period within which an appeal shall be filed and the procedure that shall be observed in determining the amount and in appeal under section 24;
- (c) the form and manner in which the accounts shall be maintained, and the balance sheet and profit and loss account shall be prepared;
- (d) any other matter which is required to be or may be prescribed.

(3) Every rule made under this section shall be laid as soon as may be after it is made before the House of the State legislature while it is in session for a total period of ten days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the successive session aforesaid the House agrees in making any modification in the rule or the House agrees that the rule should not be made, the rule shall thereafter have effect only

in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.