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REGISTERED No. **M-302**
L-7646

The Gazette  **of Pakistan**

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, TUESDAY, JUNE 10, 1997

PART I

Acts, Ordinances, President's Orders and Regulations

SENATE SECRETARIAT

Islamabad, the 10th June, 1997

No. F. 9(14)/97-Legis.—The following Acts of Majlis-e-Shoora (Parliament) received the assent of the President on the 7th June, 1997, are hereby published for general information :—

ACT No. XX OF 1997

An Act to set up a National University of Sciences and Technology at Islamabad

WHEREAS, in view of induction of complex and highly sophisticated industrial and defence systems and latest developments in the fields of engineering, sciences, technology and research, it is expedient to establish a university at the national level for imparting education and providing research facilities in these fields ;

It is hereby enacted as follows :—

1. **Short title and commencement.**—(1) This Act may be called the National University of Sciences and Technology Act, 1997.

(2) It shall come into force at once.

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

(a) “Academic Council” means the Academic Council constituted under section 15 ;

(b) “Board” means the Board of Governors of the University constituted under section 12 ;

(c) “Chancellor” means the Chancellor of the University ;

(d) “college” means a college constituted or affiliated with the University ;

(e) “constituent colleges and institutes” means the Military College of Engineering, Risalpur, the Military College Signals Rawalpindi, the College of Electrical and Mechanical Engineering Rawalpindi and the National Institute of Transportation and includes any other college or institute designated as such by the Board ;

(f) “Committee” means the executive committee of the University constituted under section 14 ;

(g) “Dean or Commandant” means the head of a College or Institute under the University ;

- (h) "Director of Examinations and Academics" means the chief coordinator of examinations, academics and research of the University ;
- (i) "Director Finance" means the Director Finance of the University ;
- (j) "Director General" means the head of the directorate of armed forces of Pakistan wherever such post exists or head of an institute or department under the University ;
- (k) "institute" means an institute constituted or affiliated with the University ;
- (l) "Patron-in-Chief" means Patron-in-Chief of the University ;
- (m) "prescribed" means prescribed by regulations ;
- (n) "Pro-Chancellor" means the pro-Chancellor of the University appointed under section 9 ;
- (o) "Rector" means Rector of the University appointed under section 10;
- (p) "Registrar" means the Registrar of the University ;
- (q) "regulations" means Regulations made under this Act ; and
- (r) "University" means the National University of Sciences and Technology established under this Act.

3. **Establishment and incorporation of the University.**—(1) There shall be established a University to be called the National University of Sciences and Technology consisting of—

- (a) the Chancellor, the Pro-Chancellor, the Board, the Rector, the Committee, the Academic Council, the Deans, Commandants and the Director Generals;
- (b) the members of such other councils, committees and advisory bodies as the Board may establish or authorise from time to time ;
- (c) the members of the faculties and students of the colleges and institutes ; and

(d) such other officers and members of the staff as may be specified by the Board from time to time.

(2) The University shall be a body corporate by the name of the National University of Sciences and Technology, having perpetual succession and a common seal, with power, among others, to acquire, hold and dispose of any property and shall by the said name sue and be sued.

(3) The principal seat of the University shall be at Islamabad, and it may set up any number of colleges and institutes at such places in Pakistan as the Board may determine.

4. **Purposes, powers and functions of the University.**—(1) The purposes of the University shall be the promotion and dissemination of knowledge and technology and to provide for instruction, training, research, demonstration and service in such branches of learning as the Board may deem fit.

(2) The University shall be a fully autonomous body with freedom to govern its academic and administrative functions in order to achieve its objectives, in general and, in particular, freedom to—

- (a) determine courses of study in engineering, sciences and technology and such other branches of learning as it may determine ;
- (b) select and examine students ;
- (c) award degrees, diplomas, certificates and other academic distinctions ;
- (d) pursue and coordinate research ;
- (e) affiliate itself or associate with other institutions, and establish faculties in Pakistan or abroad for better discharge of its function and responsibilities;
- (f) decide teaching methods and strategies in order to ensure the most effective educational and research programmes ;
- (g) use the financial and other resources allocated to it for the execution of its functions ;
- (h) confer in the manner prescribed honorary degrees or other distinctions on persons approved by the Board for the purpose ;

- (i) provide for such instructions for persons not being students of the University as it may determine, and to grant certificates and diplomas to such persons ;
- (j) confer degrees on persons who have carried on independent research under prescribed conditions ;
- (k) accept the examinations passed, and the periods of study spent, by students of the University at other universities and places of learning as equivalent to such examinations and periods of study in the University as it may determine, and to withdraw such acceptance ;
- (l) institute Professorship, Associate Professorship, Assistant Professorships Research Associationships and other posts, and to make appointment thereto ;
- (m) create posts for teaching, research, extension, administration and other related purposes and to appoint persons thereto ;
- (n) institute and award fellowships, scholarships, exhibitions, bursaries, medals and prizes under prescribed conditions ;
- (o) establish institutes, faculties, libraries, laboratories, workshops, museums and other centres of learning for the development of teaching and research and to make such arrangements for their maintenance, management and administration as it may determine ;
- (p) make provisions for research and advisory services and with these objects to enter into arrangements with other institutions or with public bodies within Pakistan and abroad under prescribed conditions ;
- (q) enter into, carry out, vary or cancel contracts ;
- (r) receive and manage property transferred and grants, bequests, trusts, gifts, donations, endowments and other contributions made to it and to invest any funds representing such property, grants, bequests, trusts, gifts, donations, endowments or contributions and to convert one kind of property into other, in such manner as it may deem fit ;
- (s) provide for the printing and publication of research and other works;

- (t) authorise and agree when required by the colleges to the mobility of qualified staff among universities, research organisations and the Government or corporate bodies, provided that the rights and privileges of the staff under this arrangement shall be protected ; and
 - (u) do all such other acts and things, whether incidental to the powers aforesaid or not, as may be requisite in order to further its objects as a place of education, learning and research.
- (3) The principal teaching facilities of the University shall consist of the constituent colleges and institutes and such other colleges and institutes as may be determined by the Board from time to time.
- (4) The colleges and institutes referred to in sub-section (3) that are in existence at the commencement of this Act shall continue to function under their existing administrative and financial arrangements :

Provided that the examination and other academic activities, including research shall be subject to coordination and supervision by the University.

(5) The University may, with the approval of the Board, provide facilities to the representatives of the University Grants Commission and the Pakistan Engineering Council or such similar relevant organisations for visitation to enable them to verify that appropriate academic standards are being maintained by the University.

5. **University to be open to all classes, creeds, etc.**—The University shall be open to all persons of either sex of whatever religion, race, class, creed, colour or domicile who qualify for admission to the courses of study offered by the University based on the criteria and policy determined by the Board, and no such person shall be denied the privileges of the University on the ground only of sex, religion, race, class, creed, colour or domicile.

6. **Patron-in-Chief.**—The President of Pakistan shall be the Patron-in-Chief of the University and shall preside over all meetings and convocations of the University, whenever present:

7. **Officers of the University.**—The following shall be officers of the University, namely :—

- a) the Chancellor ;

- (b) the Pro-Chancellor ;
- (c) the Rector ;
- (d) the Dean or Commandant ;
- (e) the Director General of the institutes ;
- (f) the Registrar ;
- (g) the Director of Examination and Academics ;
- (h) the Director Finance ; and
- (i) such persons as may be prescribed to be an officer by the Board.

8. **The Chancellor.**—(1) The Prime Minister of Pakistan shall be the Chancellor of the University.

(2) The Chancellor shall, in the absence of Patron-in-Chief, whenever present, preside over at the convocations of the University and meetings at which business of the University is transacted.

(3) Every proposal to confer an honorary degree shall be subject to confirmation by the Chancellor.

(4) If the Chancellor is satisfied that the proceedings or orders of any authority are not in accordance with the provisions of this Act, the statutes, regulations or the rules, he may, after calling upon such authority to show cause in writing, annul such proceedings or orders.

9. **The Pro-Chancellor.**—(1) The Pro-Chancellor shall be appointed by the Chancellor for such period and on such terms and conditions as the Chancellor may determine.

(2) At any time when the office of Chancellor is vacant, or the Chancellor is absent or is unable to perform the functions of his office due to any cause, the Pro-Chancellor shall act for him.

(3) The Pro-Chancellor shall perform such other functions as may be entrusted to him by the Chancellor.

10. **The Rector.**—(1) The Board shall appoint a person having engineering qualifications and experience necessary to ensure the disciplined educational environment visualised for the University to be the Rector.

(2) A Rector shall hold office for a term of four years and shall be eligible for reappointment for a similar term or such shorter terms as the Board may decide and his other terms and conditions of service shall be such as the Board may determine.

(3) The Rector shall be the chief executive of the University in all the fields of academics and administration, and shall have overall responsibility for the direction, organisation, administration and programmes of the University in accordance with the guidelines and general policies formulated by the Board and for the implementation of the decisions and policies of the Board ; in particular, he shall without prejudice to the provisions of sub-section (4) of section 4,—

- (a) oversee, monitor and supervise all academic activities, including examinations and applied research to ensure that proper academic standards are maintained ;
- (b) exercise administrative control over the academic and administrative staff employed by the University including their recruitment ;
- (c) submit the plans of work and budget estimates of the University for the approval of the Board ;
- (d) direct the activities connected with execution of programmes for instruction, training, research, demonstration and service, and authorise expenditure provided for in the budget as approved by the Board ;
- (e) make appointments of teachers, officers and members of the staff of the University and other persons on regular basis in accordance with the policies and procedures approved by the Board so as to ensure the highest intellectual and moral qualities in the persons appointed ;
- (f) appoint, subject to approval of the Board, on contract, teachers, officers and members of the staff of the University and such other persons as may be necessary for a period not exceeding two years ;
- (g) submit to the Board, in accordance with the rules of procedure framed by it, reports on the activities of the University and the execution of the plans of works ;
- (h) prepare and revise from time to time statutes and regulations with the approval of the Board for the efficient and effective operations of the University ; and

- (i) provide the necessary service to the Board.

11. **Authorities.**—The following shall be the authorities of the University, namely :

- (a) the Board of Governors ;
- (b) the Executive Committee ;
- (c) the Academic Council ;
- (d) the Faculty Board of Studies ; and
- (e) such other authorities as may be constituted by the Board.

12. **The Board of Governors.**—(1) The general supervision and control of the affairs of the University, and the power to lay down the policies of the University, shall vest in a Board of Governors consisting of—

- (a) the Chief of the Army Staff, who shall be the *ex-officio* chairman of the Board ;
- (b) General Officers of General Headquarters as designated by the Chief of the Army Staff ;
- (c) Director General, Joint Staff Headquarters ;
- (d) the Rector ;
- (e) Secretary, Ministry of Defence, Government of Pakistan ;
- (f) Secretary, Ministry of Education, Government of Pakistan ;
- (g) Secretary, Ministry of Finance, Government of Pakistan ;
- (h) Secretary, Ministry of Science and Technology, Government of Pakistan ;
- (i) Chairman, University Grants Commission ; and
- (j) Chairman, Pakistan Engineering Council.

(2) Registrar will be the member and Secretary of the Board, but shall not be entitled to vote.

(3) The chancellor may, in consultation with the Board, appoint any other person, including a scientist or educationist, as members of the Board.

(4) The existence of a vacancy in, or defect in the constitution of, the Board, shall not invalidate any act or proceedings of the Board.

(5) The Board may direct any officer, member of faculty or any other person to be in attendance during all or any of its meetings.

(6) Without prejudice to the generality of the provisions of sub-section (1), the Board shall exercise and perform the powers and functions hereinafter specified, namely :—

(a) to hold, control and administer the property, funds and resources of the University and to borrow or raise money for the purposes of the University upon such security as may be required ;

(b) to formulate or approve the principles, policies and plans governing the activities and operations of the University so as to ensure that the academic staff enjoy academic freedom in their research and educational work ;

(c) to prepare or have prepared and revised from time to time rules and regulations for the efficient and effective operation of the University ;

(d) to review and approve the creation of any standing component of the University, such as faculties, and councils and other administrative bodies necessary to assist or improve the working of the University ;

(e) to approve the plans of work and annual budget of the University submitted by the Director Finance, the budget being based on the budget prepared and submitted by the constituent or affiliated college or institutes ;

(f) to require of, and consider reports submitted by the officers of the University relating to the activities of the University and the execution of the plans of work and to direct the Rector to submit reports relating to any matter specified by the Board ;

(g) to create such academic or administrative posts as it may consider necessary for the purposes of the University and to approve appointments to such of these posts as it may specify, including the posts of

deans, directors, professors, associate professors, assistant professors, lecturers and demonstrators ;

- (h) to select and appoint, all administrative and academic staff of the University ;
- (i) to fix the scales of pay, allowances and honoraria for all the staff, both academic and administrative, commensurate with their qualification and experience, in order to attract the best talent from within and outside Pakistan for the University ;
- (j) to undertake responsibility for the financial integrity of the University, including responsibility for ensuring effectiveness of its future operations and their continuity and the preservation of the autonomy of the University ;
- (k) to approve all affiliations and other similar arrangements through which colleges, institutions or individuals may become associated with the University within Pakistan and abroad ;
- (l) to appoint from amongst its members such committees or sub-committees as may in the opinion of the Board lead to its more efficient and effective operations ; and
- (m) to take all such initiative as it may consider necessary or desirable for the efficient and effective management and functioning of the University.

(7) The Board shall lay down its own rules of procedures and may amend or modify them from time to time.

(8) The Board may delegate all or any of its powers and functions to a committee, sub-committee or to the Rector.

13. Meetings of the Board, etc.—(1) The Board shall meet at least twice during a year for regular or scheduled meetings and may meet at any other time at which a special meeting thereof may be called by the chairman of the Board.

(2) Not less than ten clear days' notice of a special meeting shall be given to the members of the Board and the agenda of the meeting shall be restricted to the matters specified in the agenda to be annexed to such notice.

(3) The quorum for a meeting of the Board shall not be less than fifty per cent of its members.

14. **Executive Committee.**—(1) The Executive Committee shall comprise the following, namely :—

- (a) the Rector, who shall be the chairman of the Executive Committee;
- (b) Director General, Engineers ;
- (c) Signal Officer-in-Chief ;
- (d) Director General, Electrical and Mechanical Engineers ;
- (e) Director General, Military Training ;
- (f) Director General, National Institute of Transportation ;
- (g) Director of Examination and Academics ; and
- (h) the Registrar, who shall be Secretary of the Committee.

(2) The Board may include Directors General Training, Pakistan Navy and Pakistan Air Force or any other person as members of the Executive Committee as it may deem appropriate.

(3) Deans and Commandants shall, unless otherwise intimated, attend the meetings of the Executive Committee.

(4) The Executive Committee shall deliberate on various aspects related to the functioning of the University and recommend specific measures to the Board for approval and shall, in particular,—

- (a) delineate priorities for research ;
- (b) recommend allocation of training and research funds to the Colleges and Institutes ;
- (c) guide and direct the Academic Council and Faculty Board of Studies of each college and institute on all matters relating to the academics, including syllabi and duration of various courses ;
- (d) recommend disciplines for all academic studies in the colleges and institutes and help in creation of necessary infrastructure for the same ;

- (e) help induct highly competent scientific and technical talent into the faculty of each College to enhance the quality of education and research ;
- (f) lay down guidelines for proper and efficient conduct of professional examination at the Colleges or Institutes ;
- (g) recommend such measures which would foster and enhance interaction and collaboration between the University and the existing national and international organisations, institutions and research centres and the industrial base ;
- (h) recommend apportioning of the national research and development budget for the University ;
- (i) workout and propose affiliation measures with foreign institutions of repute ;
- (j) decide methods and strategies in order to ensure the most effective scientific and technological programmes ;
- (k) coordinate with relevant Government Ministries, Universities and University Grants Commission ;
- (l) propose statutes to the Board for approval ; and
- (m) prepare regulations for approval by the Board.

15. **Academic Council.**—(1) The Academic Council shall comprise the following, namely :—

- (a) the Rector, who shall be the Chairman of the Academic Council ;
- (b) the Dean or Commandant, Military College of Engineering ;
- (c) the Dean or Commandant, Military College of Signal ;
- (d) the Dean or Commandant, College of Electrical and Mechanical Engineering ;
- (e) Director General, National Institute of Transportation ;
- (f) the Dean or Commandants of other colleges and institutes affiliated to the University ;

without sufficient cause entered in, or omitted from, the central depository register,

the aggrieved party may apply to the court for relief and the court may award damages to the aggrieved party but shall not order rectification of the central depository register.

Explanation.—The expression “court” for the purposes of this section shall mean the High Court having jurisdiction over the defendant.

12. **Pledge of book-entry securities.**—(1) Book-entry securities shall be pledged only in favour of an eligible pledgee to secure the payment of a debt or liability or performance of any obligation by any account-holder directly or by any sub-account holder through instruction given to a participant when the book-entry securities are blocked in the manner set out in sub-section (2).

(2) The book-entry securities to be pledged shall be blocked when an account-holder or a participant gives instructions to the central depository system in a manner that the pledgor or the relevant participant when the pledgor is a sub-account holder ceases to handle the pledged book-entry securities and notice of the blocking is available through the central depository system to the eligible pledgee.

(3) A pledge of the pledged book-entry securities shall, in addition to the powers available to him under the Contract Act, 1872 (IX of 1872), have the following powers :—

- (a) a power, upon the default of the pledgor, to transfer the pledged book-entry securities or any part thereof; and
- (b) any other power which may be granted to him in writing by the pledgor in relation to the pledged book-entry securities provided that the central depository shall not be concerned with or affected by the exercise of any such power.

(4) The central depository system shall only allow the pledgee to remove the block from the pledged book-entry securities in such manner that they are available to the pledgor for the purpose of handling them.

(5) The central depository system shall not allow the pledgor to handle the pledged book-entry securities save upon the removal by the pledgee of the block from such pledged book-entry securities.

(6) A participant shall not create a pledge over any book-entry securities entered in any sub-accounts maintained under his account with the central depository without the authorisation of the sub-account holder concerned.

(7) No pledge of any book-entry securities may be made except as provided in this section.

(8) Except as otherwise provided in this section, the provisions of the Contract Act, 1872, shall be applicable to pledging of book-entry securities.

Explanation.—For the purpose this section, the account-holder or sub-account holder, as the case may be, pledging any book-entry securities shall be called the “pledgor”, the eligible pledgee in whose favour a pledge of book-entry securities is made be called the “pledgee” and the book-entry securities when blocked are be called the “pledged book-entry securities”.

13. **Consolidation or sub-division of securities by an issuer.**—When an issuer announces a consolidation or sub-division of his securities, the book-entry securities of such issuer as are entered in the accounts and sub-accounts maintained in the central depository register shall in like manner and in accordance with the regulations, be consolidated or sub-divided, as the case may be, in the central depository register.

14. **Regulations for issue or offer for sale of securities.**—(1) A central depository may make regulations which permit any issuer to enter into an arrangement with the central depository where under the issuer may register in the name of the central depository all the securities of one class after making allocation of such securities to the subscribers of the securities.

(2) Where any issuer enters into an arrangement referred to in sub-section (1) with a central depository and registers the securities in the name of the central depository, the central depository shall ensure that every subscriber of the securities or any account-holder designated by such subscriber is credited with book-entry securities representing his entitlement to such securities.

(3) A central depository may make regulations which permit any person intending to make an offer for sale of securities to the public to enter into an arrangement with the central depository where under the securities which are to be offered for sale by that person may be transferred in the name of the central depository after the acceptance of offer from persons who apply to purchase such securities.

(4) Where any person intending to make an offer for sale of securities to the public enters into any arrangement referred to in sub-section (3) with a central depository and transfers the securities in its name, the central depository shall ensure that every purchaser of the securities or any account-holder designated by such purchaser is credited with book-entry securities representing his entitlement to such securities.

15. **Conversion of non-equity securities into equity securities.**—Where any debentures, bonds or any other non-equity securities, whether partly or wholly convertible into equity securities or with warrants to subscribe to equity securities of an issuer, are converted into equity securities, a central depository shall take appropriate action, in accordance with the regulations, in respect of the book-entry securities representing such debentures, bonds or other non-equity securities to give effect to such conversion.

16. **Issuance of Jumbo Certificates.**—Every issuer of the securities registered in the name of a central depository shall, if so requested by the central depository in

writing, issue to it jumbo certificates, of such denominations as may be requested by the central depository, upon the occurrence of any increase or decrease in the number of the securities of such issuer held by the central depository.

17. Inspection of the central depository register.—(1) The central depository register shall, to the extent that it records the holdings of book-entry securities representing securities of an issuer, be open to inspection at the registered or head office of the issuer in the same manner and to the extent provided in any law for the time being in force pursuant to or by which such issuer was established or is governed.

Explanation.—For the purposes of this sub-section, the expression “law” shall include any rules or regulations governing such issuer.

(2) The information made available upon any request for inspection under sub-section (1) shall be correct as of the close of business hours of the central depository on its first working day in the month preceding the month in which the request for inspection is made :

Provided that where any closure of the register of members or debenture holders or of the holders of any other equity or non-equity securities of the issuer has occurred subsequent to the first working day of the central depository in the month preceding the month in which the request for inspection is made, the information made available upon any request for inspection shall be correct as of the close of business hours of the central depository on the day before the first day of the latest period of closure of register of members or debenture holders or of the holders of any other equity or non-equity securities, as the case may be, of the issuer :

Provided further that where notice of a general meeting of the members or debenture holders or of the holders of any other equity or non-equity securities of the issuer has been issued, the information made available upon any request for inspection under sub-section (1) shall be correct as of the close of business hours of the central depository on the third day before the date of receiving the request for inspection.

18. Record of an entry prima facie evidence.—A record of an entry in an account or a sub-account shall be *prima facie* evidence of the truth of the matters so recorded.

19. Borrowing or lending of securities.—Book-entry securities may, in accordance with the regulations, be borrowed or lent in the interest of the smooth and orderly functioning of stock exchanges.

20. Duty to maintain secrecy.—(1) Except as provided in this Act or in any other law for the time being in force, no director or officer of a central depository or a participant, whether during his tenure of office or during his employment or thereafter, and no other person who has by any means knowledge of any information or document whatsoever relating to the affairs of any of the account-holders, and in particular, relating

to their accounts or sub-accounts, shall give, divulge, reveal or otherwise disclose such information or document to any other person.

(2) A person who has any information or document which to his knowledge has been disclosed in contravention of sub-section (1) shall not in any manner howsoever disclose it to any other person.

21. **Permitted disclosures.**—Subject to the provisions of this Act, the provision of section 20 shall not entitle any person to refuse to disclose any information or documents—

- (a) which an account-holder or a sub-account holder has authorised in writing to disclose ;
- (b) in a case where an account-holder or a sub-account holder is declared a bankrupt, or, if the account-holder or sub-account holder, as the case may be, is a company or body corporate and is being or, has been, wound up within or outside Pakistan ;
- (c) in the case of any litigation or other legal proceedings ;
- (d) to any person duly authorised by a competent court, the Authority or the State Bank of Pakistan to investigate into any offence under any law for the time being in force ;
- (e) for the purpose of enabling or assisting the Authority to exercise any power conferred on it by this Ordinance or by any other law for the time being in force ;
- (f) for the purpose of enabling or assisting the State Bank of Pakistan to exercise any power conferred on it by any other law for the time being in force ;
- (g) for the purpose of enabling or assisting a stock exchange or clearing house of a stock exchange to discharge its functions ;
- (h) for the purpose of enabling or assisting auditors of a central depository or participant to discharge their functions ; or
- (i) to the Authority if the disclosure is required in the interest of investors or in the public interest.

22. **Regulation of access to the computer system.**—(1) A central depository may, in accordance with the regulations, authorise any account-holders, the stock exchanges on which the securities in relation to book-entry securities entered in the central depository register of the central depository are listed, clearing houses of such stock exchanges or issuers to have access to its computer system within such limits and for such purposes as may be specified in such regulations.

- (2) No person—
- (a) who, being a person authorised to have access under sub-section (1), shall gain access, or attempt to gain access, to a computer system of a central depository, whether by means of any device or apparatus forming part of the computer system or by any other means, beyond the limits or for purposes other than for which he is authorised thereunder ;
- (b) who, not being a person authorised to have access under sub-section (1), shall gain access, or attempt to gain access, to a computer system of a central depository, whether by means of any device or apparatus forming part of the computer system or by any other means ; or
- (c) shall unlawfully interfere with, or impede, or attempt to interfere with or impede, the operation of a computer system of a central depository.

23. **Central depository to provide assistance to the Registrar, the Authority, the State Bank of Pakistan and the stock exchanges.**—A central depository shall provide such assistance to the Authority, the State Bank of Pakistan, the Registrar, stock exchanges and to any person acting on their behalf, as they reasonably require for the performance of their functions and duties under this Act or under any other law for the time being in force.

24. **Handling book-entry securities without authority.**—(1) A participant shall not handle or authorise or permit any handling of book-entry securities entered in the sub-accounts maintained under his account without authority of the sub-account holder.

(2) A participant shall not, except with the authority of his clients, handle or authorise or permit any handling of book-entry securities beneficially owned by such clients and entered in his account.

25. **Nomination and transmission.**—The provisions of sections 79, 80 and 81 of the Companies Ordinance, 1984 (XLVII of 1984), shall, *mutatis mutandis*, apply to book-entry securities and all references to member or holder of debentures in those sections shall be construed as references to account-holders or sub-account holders, and all references to a company shall be construed as references to a central depository in case the book-entry securities belong to an account-holder and to a participant in case the book-entry securities belong to a sub-account holder.

26. **Settlement of securities transactions using the central depository system.**—(1) Subject to the provisions of this Act, no transfer of book-entry securities shall be effected on the central depository system unless at least one party to the transaction in respect of which the transfer of book-entry securities is sought to be effected is a member of a stock exchange.

(2) Notwithstanding the provisions of sub-section (1), a central depository shall make regulations prescribing transactions, other than the transactions referred to in

that sub-section, in respect of which transfers of book-entry securities may be effected on the central depository system :

Provided that a central depository may, before making or allowing the entry to be made, require the production of such documentary evidence as may be prescribed in the regulations.

27. Power of Registrar and Authority to call for information or appoint inspectors.—(1) Nothing contained in this Act shall be construed to impose any limits on the powers of the Registrar or the Authority under the Companies Ordinance, 1984 (XLVII of 1984), as regards calling for any information from and appointing any persons as inspectors to investigate the affairs of a central depository or of any participant which is a company or is a corporation to which the provisions of the Companies Ordinance, 1984 (XLVII of 1984), apply.

(2) Nothing contained in this Act shall be construed to impose any limits on the powers of any competent authority under any other law for the time being in force as regards calling for any information from or carrying out any investigation into the affairs of a participant which is established under or is otherwise governed, by such law.

(3) The Authority, on being satisfied that the affairs of a participant, not being a participant referred to in sub-sections (1) or (2), in relation to his account on a central depository system are being or have been conducted with intent to defraud his creditors or any other persons or for a fraudulent or unlawful purpose, may by order in writing,—

- (a) call upon such participant to furnish in writing such information relating to book-entry securities held by him on the central depository register, whether on his own behalf or on behalf of a client ; or
- (b) authorise any one or more competent persons as inspectors to investigate the affairs of such participant :

Provided that before making an order for enquiry or inspection, the Authority shall give the participant an opportunity to show cause against the action proposed to be taken.

(4) A person appointed as inspector under sub-section (3) shall, for the purposes of his investigation, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (Act V of 1908), while trying a suit, in respect of the following matters, namely :—

- (a) enforcing the attendance of persons and examining them on oath or affirmation ;
- (b) compelling the discovery and production of books and papers and any material objects ; and

- (c) issuing commissions for the examination of witnesses ;

and every proceeding before such person shall be deemed to be "judicial proceeding" within the meaning of sections 193 and 228 of the Pakistan Penal Code, 1860 (Act XLV of 1860).

(5) Any contravention of or non-compliance with any orders, directions or requirement of the inspector exercising powers of a court under sub-section (4) shall, in all respects, entail the same liabilities, consequences and penalties as are provided for such contravention, non-compliance or default under the Code of Civil Procedure, 1908, and the Pakistan Penal Code.

(6) Every past and present partner, proprietor or employee of a participant shall on demand produce before inspector all information or such records and other documents in his custody having a bearing on the subject-matter of the investigation.

(7) The inspector may, and if so directed by the Authority shall, make interim reports to the Authority, and on the conclusion of the investigation, shall make a final report to the Authority on the basis of which it may take such action as it deems expedient.

(8) If, from any report made under sub-section (7), it appears to the Authority that any participant or any other person has been guilty of any offence for which he is criminally liable, the Authority may prosecute such participant or other person for the offence.

(9) When an investigation is ordered to be made under this section, the expenses of the investigation shall, in the first instance be defrayed by the Authority; but any person who is convicted on a prosecution instituted in pursuance of sub-section (8) may, in the same proceedings, be ordered to pay the said expenses to such extent as may be specified by the Authority or as the court may so direct.

(10) The amount of expenses which any person is liable under this section to reimburse to the Authority shall be recoverable from that person as arrears of land revenue.

(11) In so far as the expenses to be defrayed by the Authority under this section are not recovered thereunder, those shall be borne by the Federal Government.

(12) A copy of any report of any inspector or inspectors appointed under this section authenticated in such manner as may be prescribed, shall be admissible in any legal proceedings as evidence of the opinion of the inspector or inspectors in relation to any matter contained in the report.

28. **Offences.**—(1) Whoever knowingly and wilfully contravenes or attempts to contravene or abets the contravention of any of the provisions of this Act or the

regulations made thereunder shall be punishable with a fine which may extend to five hundred thousand rupees and to a further fine not exceeding ten thousand rupees for every day if such contravention continues after the imposition of the fine.

(2) Notwithstanding anything contained in sub-section (1), whoever knowingly and wilfully contravenes or attempts to contravene or abets the contravention of the provisions of section 24 shall be punishable with a fine which may extend to one million rupees and to a further fine not exceeding twenty thousand rupees for every day after the first contravention during which the contravention continues or with imprisonment for a term which may extend to five years, or with both.

(3) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(4) Notwithstanding anything contained in sub-section (3), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other employee of the company, such director, manager, secretary or other employee shall also be deemed to be guilty of the offence.

Explanation.—For the purposes of this section,—

- (a) "company" means any body corporate and includes a partnership firm or other association of individuals ; and
- (b) "director", in relation to a firm, means a partner in the firm.

29. **Cognizance of offences by courts.**—No court or authority or officer shall take cognizance of any offence punishable under this Act or any regulations or under any bye-laws made thereunder, save on a complaint made in writing by the Authority.

30. **Offences to be non-cognizable.**—Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act V of 1898), every offence under this Act shall, for the purposes of the said Code, be deemed to be non-cognizable.

31. **Punishment and adjudication of fine or penalty.**—(1) A fine for any offence under, or contravention of any provisions of, this Act may be adjudged and imposed by any member of the Authority.

(2) The fine as aforesaid shall be imposed after giving the person concerned an opportunity to show cause why he should not be punished for the alleged offence or contravention and, if he so requests, after giving him a reasonable opportunity of being heard personally or through such person as may be prescribed in this behalf.

(3) Where imprisonment is provided for any offence under, or contravention of any provisions of, this Act, it shall be adjudged by a court not inferior to that of a court of session.

23. **Rules.**—The Executive Committee may make rules for implementation of statutes or regulations where so required under the statutes or regulations or make rules to regulate any matter relating to the affairs of the University which under this Act are not specifically required to be provided for by the statutes or regulations.
24. **Indemnity and bar of jurisdiction.**—(1) No suit, prosecution or other legal proceedings shall lie against any person or authority for anything which is in good faith done or intended to be done under this Act.
- (2) No decision taken, or act or thing done, by the Chancellor, Pro-Chancellor or the Board shall be called in question before any court or other authority.
25. **Act to override other laws.**—This Act shall have effect notwithstanding anything contained in any other law for the time being in force.
26. **Removal of difficulties.**—(1) If any question arises as to the interpretation of any of the provisions of the Act, it shall be placed before the Board whose decision thereon will be final.
- (2) If any difficulty arises in giving effect to any provision of this Act, the Board may make such order or direction, not inconsistent with the provisions of this Act, as may appear to it to be necessary for the purpose of removing such difficulty.
- (3) Where this Act makes any provision for anything to be done but no provision or no sufficient provision has been made as respect the authority by whom, or the time at which, or the manner in which, it shall be done, then, it shall be done by such authority, at such time, or in such manner as the Board may direct.
27. **Repeal.**—The National University of Science and Technology Ordinance, 1996 (No. CI of 1996), is hereby repealed.

ABDUL QAYYUM KHAN,
Secretary.