

**THE HIMACHAL PRADESH EX-SERVICEMEN CORPORATION
ACT, 1979**

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**THE HIMACHAL PRADESH EX-SERVICEMEN CORPORATION
ACT, 1979****(ACT NO. 8 OF 1980)¹**

(Received the assent of the President on the 8th June, 1980 and was published both in Hindi and English, the Rajpatra, Himachal Pradesh (Extra-ordinary), on the 28th June, 1980, pp. 567-593).

1. Passed in Hindi by the Himachal Pradesh Vidhan Sabha. For Statement of Objects and Reasons, see the Rajpatra, Himachal Pradesh (Extra-ordinary), dated 3rd November, 1979, pp. 2462 and 2479.

An Act to provide for the establishment of the Himachal Pradesh Ex-servicemen Corporation.

Amended, repealed or otherwise affected by-

- (i) H.P. Act No. 16 of 1981¹ assented to by the Governor of Himachal Pradesh on 7th November, 1981, published in the Rajpatra, Himachal Pradesh (Extra-ordinary), dated 10th November, 1981, pp. 995-999, effective from 25th August, 1981, repealed by H. P. Act No. 13 of 1984² assented to by the Governor, Himachal Pradesh on 28th May, 1984, published both in Hindi and English in the Rajpatra, Himachal Pradesh (Extra-ordinary), dated 4th June, 1984, pp. 957-964, effective from 25th August, 1981.
- (iii) H. P. Act No. 5 of 2014³ assented to by the Governor, Himachal Pradesh on 29th January, 2014, published both in Hindi and English in the Rajpatra, Himachal Pradesh, dated 5th February, 2014, pp. 6487-6489.

It is hereby enacted by the Legislative Assembly of Himachal Pradesh in the Thirtieth Year of the Republic of India as follow:-

CHAPTER- I

PRELIMINARY

1. Short title and commencement.- (1) This Act may be called the Himachal Pradesh Ex-servicemen Corporation Act, 1979.

(2) It shall come into force on such date as the State Government may by notification in the Official Gazette appoint in this behalf.

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

- (a) "agricultural development" includes development of dairy, poultry, piggyery, sheep and cattle breeding, pisciculture and sericulture;
- (b) "Bank" means-
- (i) a banking company as defined in the Banking Regulation Act, 1949 (10 of 1949),

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1. Passed in Hindi in the Himachal Pradesh Vidhan Sabha. For Statement of Objects and Reasons see the Rajpatra, Himachal Pradesh (Extra-ordinary), dated 26th September, 1981 p. 876.
 2. Passed in Hindi by the Himachal Pradesh Vidhan Sabha. For Statement of Objects and Reasons see the Rajpatra, Himachal Pradesh (Extra-ordinary), dated 12th April, 1984, pp. 654 and 660.
 3. Passed in Hindi by the Himachal Pradesh Vidhan Sabha. For Statement of Objects and Reasons see the Rajpatra, Himachal Pradesh dated 20th December, 2013, pp. 5303 and 5306-5307.

- (ii) the State Bank of India constituted under this State Bank of India Act, 1955 (23 of 1955),
 - (iii) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959),
 - (iv) a Regional Rural Bank established under the Regional Rural Banks Act, 1976 (21 of 1976),
 - (v) a corresponding new bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970),
 - (vi) any banking institution notified by the Central Government under section 51 of the Banking Regulation Act, 1949 (10 of 1949),
 - (vii) the Agricultural Refinance and Development Corporation constituted under the Agricultural Refinance and Development Corporation Act, 1963 (10 of 1963),
 - (viii) the Agro-Industries Corporation as defined in clause (c) of section 2 of the Himachal Pradesh Agricultural Credit Operations and Miscellaneous Provisions (Banks) Act, 1972 (1 of 1973),
 - (ix) the Agricultural Finance Corporation Limited, a company incorporated under the Companies Act, 1956 (1 of 1956), and
 - (x) any other financial institution notified by the State Government in the Official Gazette as bank for the purposes of this Act;
- (c) "Board" means the Board of Directors of the Corporation;
 - (d) ¹["Chairman-cum-Managing Director"] and "Vice-Chairman" means the ²[Chairman-cum-Managing Director] and Vice-Chairman of the Corporation;
 - (e) "Corporation" means the Himachal Pradesh Ex-Servicemen Corporation, established under section 3;
 - (f) "Ex-servicemen" means a person who is ordinarily residing in the State of Himachal Pradesh and has served in any rank, whether as combatant or non-combatant, in the Indian Armed Forces or armed forces of the former Indian States (but

1. Substituted for the words "Chairman" vide H.P. Act. No. 16 of 1981, effective from 25th August, 1981 validated by H. P. Act No. 13 of 1984, effective from 25th August, 1981.

2. Substituted for the words "Chairman" vide H.P. Act. No. 16 of 1981, effective from 25th August, 1981 validated by H.P. Act No. 13 of 1984, effective from 25th August, 1981

excluding the Assam Rifles, Defence Security Corps, General Reserve Engineering Force, Lok Sahayak Sena and Territorial Army) for a continuous period of not less than six months after attestation and has been released, otherwise than by way of dismissal or discharge on account of misconduct or inefficiency, and in the case of a deceased or incapacitated ex-servicemen includes his wife, children, father, mother, minor brother, widowed daughter and widowed sister, wholly dependent upon such ex-servicemen immediately before his death or incapacitation;

- (g) "Ex-servicemen Organisation" means a firm registered under the Indian Partnership Act, 1932 (9 of 1932), an association registered under the Societies Registration Act, 1860 (21 of 1860), or a Co-operative Society registered under the Himachal Pradesh Co-operative Societies Act, 1968 (3 of 1969) all the partners or members whereof, as the case may be, are ex-servicemen;
- (h) "Government" means Government of the State of Himachal Pradesh;
- ¹[X X X X X X X];
- (j) "margin money" means the money required as the share of the beneficiary for granting financial assistance by the financial/banking institutions and other organisations;
- (k) "marketing" means all activities relating to the transport, grading, polling, marketing and sale of agricultural or industrial produce, whether in the primary form or in semi-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 materials, purchase of equipment, purchase, installation and running of machinery required for processing and storage of finished produce;
- (n) "small scale-industry" means a cottage and small-scale industry and includes industry engaged in fabrication, repairs and maintenance of agricultural machinery and equipment, in which capital investment does not exceed five lacs of rupees; and
- (o) "supply and storage" means supply and storage of agricultural

1. Clause (i) definition of "Managing Director" omitted vide H.P. Act No. 16 of 1981, effective from 25th August, 1981 validated by Act No. 13 of 1984, effective from 25th August, 1981.

inputs and establishment, maintenance and running of storages, cold storages and warehouses.

CHAPTER-II

INCORPORATION OF HIMACHAL PRADESH EX-SERVICEMEN CORPORATION AND ITS CAPITAL

3. Establishment of Himachal Pradesh Ex-servicemen Corporation.- (1) With effect from such date as the Government may, by notification, appoint, there shall be established for the purpose of this Act, a Corporation to be known as the Himachal Pradesh Ex-servicemen Corporation.

(2) The Corporation shall be a body corporate with the name aforesaid having perpetual succession and 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.

4. Head office and other offices of the Corporation.- (1) The head office of the Corporation shall be at ¹[Hamirpur] or at such other place as the Government may, by notification, specify.

(2) The Corporation may establish its offices or agencies at such places as it may think fit.

5. Capital of Corporation.- The authorised capital of the Corporation shall be such sum not exceeding ²[five crores] of rupees as the Government may initially fix:

Provided that where the capital initially fixed is less than ³[five crores] of rupees, the Government may, from time to time, increase the capital to such sum not exceeding ⁴[five crores] of rupees as it may think fit.

Explanation.- The expression "authorised capital" for the purpose of this section shall not include the grant-in-aid received by the Corporation for specific purposes.

CHAPTER-III

MANAGEMENT OF THE CORPORATION

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

(2) The Board in discharging its functions shall act on such principles which shall be in consonance with the policy of the Government having regard to public interest, welfare of ex-servicemen/serving soldiers and their

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1. Substituted for the words "Simla" vide H.P. Act No. 5 of 2014.
 2. Substituted for the words "two crores" vide H.P. Act No. 5 of 2014.
 3. Substituted for the words "two crores" vide H.P. Act No. 5 of 2014.
 4. Substituted for the words "two crores" vide H.P. Act No. 5 of 2014.

families and shall be guided by such instructions on question of policy ¹[and management], as may be given to it by the State Government.

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

7. Constitution of Board.- (1) The Board of Directors shall consist of the ²[Chairman-cum-Managing Director], Vice-Chairman, ³[x x x] and the following other directors, namely:-

- (a) the Secretary to the Government in the ⁴[Sainik Welfare Department] or his nominee, *ex-officio*;
- (b) the Secretary to the Government in the Finance Department or his nominee, *ex-officio*;
- (c) the ⁵[Secretary (Agriculture) to the Government of Himachal Pradesh] or his nominee *ex-officio*;
- (d) the Director of Industries, Himachal Pradesh or his nominee, *ex-officio*;

⁶[(e) five other Directors to be nominated by the State Government, not less than three of whom may be ex-servicemen.]

⁷[(2) The Chairman-cum-Managing Director shall be an ex-servicemen holding a Class I post while in service. The Vice-Chairman shall be non-official person. The Chairman-cum-Managing Director and the Vice-Chairman shall be appointed by the Government and shall hold office during the pleasure of the Government.

(3) The Directors referred to in clause (e) of sub-section (1) shall hold office during the pleasure of the Government.]

⁸[(4) X X X X X]

¹(5) X X X X X]

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1. Words "and management" added vide H.P. Act No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 2. Substituted for the words "Chairman" the vide H.P. Act No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 3. The sign and word ", Managing Director" omitted vide H.P. Act No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 4. Substituted for the words "General Administration Department" vide H.P. Act No. 5 of 2014.
 5. Substituted for the words and sign "Agricultural Production Commissioner, Himachal Pradesh" vide H.P. Act No. 5 of 2014.
 6. Clause (e) substituted vide H.P. Act No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 7. Sub-sections (2) and (3) substituted vide H.P. Act No 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 8. Sub-section (4) omitted vide H.P. Act No 16 of 1981, validated by Act No. 13 of 13 of 1984, effective from 25th August, 1981.

²[(6) The Board shall have Secretary-cum-Chief Accounts Officer who shall be appointed by the Government on such terms and conditions as the Government may prescribe.]

8. Disqualifications.- (1) A person shall be disqualified for being appointed or nominated, or for continuing, as a Director of the Corporation,-

- (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;
- (c) if he is or has been convicted of any offence which in the opinion of the Government involves moral turpitude; ³[or]
- (d) if he, having held any office under the State Government or Central Government, any local authority, any Government Company or any corporate body owned or controlled by the State Government or Central Government, has been removed or dismissed from service ⁴[.]

⁵[(e) X X X X X X]

(2) If a Director becomes subject to any disqualification specified in sub-section (1) his seat shall there-upon become vacant.

9. Powers of the ⁶[Chairman-cum-Managing Director].- (1) The ⁷[Chairman-cum-Managing 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 Corporation;
- (c) perform such duties as the Corporation may, by regulations or otherwise, assign to him.

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1. Sub-section (5) amended vide H.P. Act No 16 of 1981, and omitted vide H.P. Act No. 13 of 1984, effective from 25th August, 1981.
 2. Sub-section (6) added vide H.P. Act No 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 3. At the end of clause (c) word "or" inserted vide H.P. Act No. 13 of 1984, effective from 25th August, 1981
 4. At the end of clause (d) substituted for the sign and word "; or" vide H.P. Act No. 13 of 1984, effective from 25th August, 1981
 5. Clause (e) omitted vide H.P. Act No. 13 of 1984, effective from 25th August, 1981
 6. Substituted for the words "Managing Director" vide H.P. Act No. 16 of 1981, validated Act No. 13 of 1984, effective from 25th August, 1981
 7. Substituted for the words "Managing Director" vide H.P. Act No. 16 of 1981, validated Act No. 13 of 1984, effective from 25th August, 1981

(2) If the ¹[Chairman-cum-Managing 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 Government may appoint another person to act in his place during his absence.

²**9-A. Duties of the Vice-Chairman.-** The Vice-Chairman shall discharge such functions as the Board may assign to him in addition to the duties assigned to him under the Act.]

10. Staff of the Corporation.- The Board may appoint such officers and employees as it may consider necessary for the efficient performance of functions of the Corporation and determine, with the prior approval of the Government the terms and conditions of their service.

11. Committees.- Subject to the 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.

12. Meetings of the Board.- (1) The Board of any committee appointed by it shall meet at such times and places and shall observe such rules or procedure in regard to the transaction of business at its meetings as may be provided by the regulations made by the Board under this Act.

(2) The ³[Chairman-cum-Managing Director] and in his absence the Vice-Chairman, and in the absence of both, any other director elected by the directors from amongst themselves, shall preside at the meeting of the Board.

(3) Six Directors shall form a quorum for the meetings of the Board:

Provided that no quorum shall be necessary for adjourned meetings.

(4) All questions which come up before any meeting of the Board shall be decided by a majority of votes of the Directors present and voting and in the event of an equality of votes, the ⁴[Chairman-cum-Managing Director], the Vice-Chairman or the person presiding, as the case may be, shall have and exercise a second or casting vote.

13. Delegation of Powers to ⁵[Chairman-cum-Managing Director] Director] and other officers and employees.- The Board may, by a general or special order, delegate to the ⁶[Chairman-cum-Managing Director], the

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1. Substituted for the words "Managing Director" vide H.P. Act No. 16 of 1981, validated Act No. 13 of 1984, effective from 25th August, 1981
 2. "9-A" added vide H.P. Act No. 16 of 1981, validated Act No. 13 of 1984, effective from 25th August, 1981
 3. Substituted for the words "Chairman" vide H.P. Act No. 16 of 1981, validated Act No. 13 of 1984, effective from 25th August, 1981
 4. In section 12 substituted for the word "Chairman" vide H.P. Act No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 5. Substituted for word "Chairman" vide H.P. Act No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 6. Substituted for word "Chairman" vide H.P. Act No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.

Vice-Chairman ¹[xx] or any committee appointed by it or any 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.

14. Casual vacancies.- (1) The ²[Chairman-cum-Managing Director], the Vice-Chairman ³[xxxxxxx] or any director referred to in clause (e) of sub-section (1) of section 7 may, at any time, resign his office by giving a notice in writing to the Government and on such resignation being accepted he shall be deemed to have vacated his office.

(2) If the office of the ⁴[Chairman-cum-Managing Director], the Vice-Vice-Chairman, ⁵[xxx] or any director referred to in clause (e) of sub-section (1) of section 7 falls vacant by reason of his death, resignation or otherwise the vacancy shall be filled by the Government by appointment or nomination, as the case may be.

CHAPTER- IV

FUNCTIONS AND FUND OF THE CORPORATION

15. Functions of the Corporation.- (1) Subject to the provisions of this Act, the functions of the Corporation shall be to provide for the welfare and economic uplift of the ex-servicemen in the State.

(2) Without prejudice to the generality of the foregoing provisions, the Corporation may take such steps as it may think necessary,-

- (i) to plan, promote and undertake, on its own or in collaboration with or through such ex-servicemen organisations or other agencies as may be approved by the Corporation, programmes of agricultural development, marketing, processing, supply and storage of agricultural produce, small scale industry, building construction, transport and such other business, trade or activity as may be approved in this behalf by the Government;
- (ii) to provide financial assistance to ex-servicemen or their organisations by advancing to them in cash or in kind loans including loans under hire-purchase system and/or loan towards margin money for any of the purposes specified in clause (i) either directly or through such agency, organisation

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1. The words "or the Managing Director" omitted vide H.P. Act No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 2. Substituted for the words "Chairman" vide H.P. Act No. 16 of 1981, validated Act No. 13 of 1984, effective from 25th August, 1981
 3. The words "or Managing Director" omitted vide H.P. Act No. 16 of 1981, validated Act No. 13 of 1984, effective from 25th August, 1981
 4. Substituted for the "Chairman" vide H.P. Act No. 16 of 1981, validated Act No. No. 13 of 1984, effective from 25th August, 1981
 5. The words "or Managing Director" omitted vide H.P. Act No. 16 of 1981, validated Act No. 13 of 1984, effective from 25th August, 1981

or institution as may be approved by it;

(iii) to give on hire agricultural or industrial machinery or equipment to ex-servicemen or their organisation;

(iv) to give grants and subsidies to and to guarantee loans taken by, the ex-servicemen or their organisation;

¹[(iv-a) to provide security staff to the State and Central Government Departments, Institutions and Public Sector Undertakings etc.; and]

(v) 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.

(3) In discharging its functions, the Corporation shall have due regard to public interest, its solvency and welfare of ex-servicemen.

16. Capital of the Corporation and its power to borrow or issue bonds and debentures, etc.- (1) For the purpose of carrying out its functions under this Act, the Corporation may-

(a) be provided with capital by the Government on such terms and conditions as the Government may specify, or by any person or association of persons interested in or dealing with the welfare of ex-servicemen on such terms and conditions as may be mutually agreed upon between the Corporation and such person or association of persons;

(b) with the previous approval of, and subject to the directions of the Government, borrow money from any bank or other financial institution or any other authority or organisation;

(c) issue bonds and debentures or draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, bills, warrants, debentures and other negotiable instrument.

(2) The Government may guarantee the repayment of the moneys borrowed by the Corporation under sub-section (1) and the payment of interest thereon.

17. Ex-servicemen Corporation Fund.- (1) The Corporation shall maintain a Fund called the Ex-servicemen Corporation Fund (hereinafter referred to as the Fund) to which shall be credited-

(a) all moneys received by it from the Government or from any person or association of persons interested in or dealing with the welfare of ex-servicemen;

(b) such sums of money as may, from time to time, be realized by way of repayment of loans made from the fund or from

1. Clause (iv-a) inserted vide H.P. Act No. 5 of 2014.

interest on loans;

- (c) all moneys borrowed under section 16; and
- (d) all moneys received by it from any other source.

(2) The moneys in the Fund shall be applied by the Corporation for carrying out its functions under this Act.

(3) All moneys in the fund shall be deposited in the bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934), or in a Government Treasury, as may be decided by the Corporation :

Provided that the Corporation may invest or deposit its surplus fund in the Government securities or in such other manner as it may decide.

CHAPTER-V

LOANS

18. Power to impose conditions for loans.- In making any loan authorised by this Act, the Corporation may impose such conditions as it may think necessary or expedient for protecting the interest of the Corporation:

Provided that interests on such loan shall be chargeable at such concessional rates as may, from time to time, be fixed by the Corporation with the prior approval of the Government.

19. Power to call repayment before agreed period.- 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 Corporation 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.

20. Recovery of money due to the Corporation.- (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 granted by the ¹[Chairman-cum-Managing Director] in the prescribed form, be recoverable as arrears of land revenue by the Collector of the district in which the person

1. Substituted for the words "Managing Director" vide H.P. Act No. 16 of 1981, and validated by Act No. 13 of 1984, effective from 25th August, 1981.

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 ¹[Chairman-cum-Managing Director] shall make an application to such officer, unconnected with the business of the Corporation, as may be empowered by the 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 Managing Director.

(3) The officer empowered under sub-section (2) shall follow such procedure as may be prescribed.

(4) The certificate issued by the ²[Chairman-cum-Managing Director] under sub-section (1) shall be final and conclusive and shall not be called in question before any authority or court.

(5) 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.

21. First charge of Corporation on debtor's property.- Notwithstanding anything contained in any law for the time being in force, but subject to the provisions in any law made by the 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 arrears of land revenue, the dues of the Corporation as determined under the preceding section of this Act together with interest accrued thereon and cost of recovery shall be the first charge on the property of the debtor and guarantor, if any.

CHAPTER- VI

ACCOUNTS AND AUDIT

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

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

23. Audit.- (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 (1 of 1956), who shall be appointed by the Corporation and shall receive such remuneration from the Corporation as it may fix.

(2) The auditors shall be supplied with a copy of the Annual balance

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1. Substituted for the words "Managing Director" vide H.P. Act No. 16 of 1981, and validated by Act No. 13 of 1984, effective from 25th August, 1981.
 2. Substituted for the words "Managing Director" vide H.P. Act No. 16 of 1981, and validated by Act No. 13 of 1984, effective from 25th August, 1981.

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 office 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 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 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 contained in the preceding sub-section, the Government may, at any time, appoint any other authority to examine and report upon the accounts of the Corporation and any expenditure incurred in connection with such examination and report, shall be payable by the Corporation to such authority.

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

CHAPTER- VII

MISCELLANEOUS

24. Dissolution of Corporation.- (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 23, call upon the Corporation 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 Corporation from such date as may be specified.

(3) When the Corporation is dissolved under sub-section (2)-

- (i) all Directors shall, from the date of dissolution, vacate their offices;
- (ii) all powers and duties of the Corporation shall, during the period of dissolution, be exercised and performed by such person or persons as the State Government may appoint in this behalf;
- (iii) all funds and other property vested in the Corporation shall,

during the period of dissolution, vest in the State Government. The Government may, in its discretion, reconstitute the Corporation after such period as it may think fit.

25. Directors not to participate in certain cases.- 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 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.

26. Bar of jurisdiction.- 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.

27. Protection of action taken in good faith.- No suit or other legal proceedings shall lie against the Corporation or any Director or any officer or employee or any other person authorised by the Board to discharge any function 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.

28. Employees to be public servants.- The ¹[Chairman-cum-Managing Director], the Vice-Chairman, ²[xxxxx] the Directors and other employees of the Corporation shall be deemed to be the public servants within the meaning of section 21 of the Indian Penal Code, 1860 (45 of 1860).

29. Indemnity of Director.- (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 act or default.

(2) A Director shall not be responsible for any other Director, or for any officer of 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.

1 Substituted for the words "Chairman" vide H.P. Act No. 16 of 1981, and validated by Act No.13 of 1984, effective from 25th August, 1981.

2 The words "the Managing Director" omitted vide H.P. Act No. 16 of 1981, and validated by Act No.13 of 1984, effective from 25th August, 1981.

30. Exemption from registration fee and stamp duty.- All documents executed by or on behalf of the Corporation in the course of discharge of its functions under this Act shall be exempted from payment of stamp duty and registration fee:

Provided that exemption from payment of stamp duty shall apply to those documents in relation to rates of stamp duty whereof the State Legislature is competent to legislate.

31. Power of Government to give directions.- The Corporation shall carry out such directions as may, from time to time, be issued to it by the Government for the efficient administration of this Act.

32. Power to make regulations.- (1) The Board may, with the previous approval of the Government and subject to the provisions of the rules to be framed by the Government under section 33, make regulations not inconsistent with this Act and the rules framed thereunder to provide for all matters for which provision is necessary or expedient for the purposes of giving effect to the provisions of this Act.

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

- (a) the duties which the ¹[Chairman-cum-Managing Director,] Vice-Chairman ²[XXX] shall perform;
- (b) the time and the places of meetings of the Board and the Committees appointed by it and the procedure to be followed in relation to such meeting;
- (c) the conditions which may be imposed and the procedure which may be followed in granting loans, providing margin money or entering into other arrangements by the Corporation;
- (d) the duties and conduct of the officers and other employees of the Corporation;
- (e) the establishment and maintenance of provident fund and other benefit funds for the officers and other employees of the Corporation; and
- (f) generally, the efficient conduct of the affairs of the Corporation.

(3) No regulations made under this Act shall have effect until they are published in the Official Gazette.

33. Power to make rules.- (1) The Government may, by notification,

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1. Substituted for the words "Chairman " vide H.P. Act No. 16 of 1981, and validated by Act No. 13 of 1984, , effective from 25th August, 1981
 2. The Words "and the Managing Director" omitted vide H.P. Act No. 16 of 1981, and validated by Act No. 13 of 1984, , effective from 25th August, 1981

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:-

¹[(a) the salary and allowances payable to the Chairman-cum-Managing Director, the Vice-Chairman and the Director referred to in clause (e) of sub-section (1) of section 7.]

²[(b) the terms and conditions of appointment, including salary and allowances of the Secretary-cum-Chief Accounts Officer under sub-section (6) of section 7;]

³[c) X X X X X;]

(d) other functions which the Corporation may discharge in addition to those mentioned in sub-section (2) of section 15;

(e) the form in which the certificate ⁴[under section 20] shall be granted by the ⁵[Chairman-cum-Managing Director] and the procedure that shall be observed for determining the amount;

(f) the financing institutions for the purposes of priority of charge under section 21;

(g) the form and manner in which accounts shall be maintained and the balance-sheet and profit and loss account shall be prepared; and

(h) 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 Legislative Assembly 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 sessions aforesaid, the Assembly makes any modification in the rule or decides 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.

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1. In Section 33(2) clause (a) substituted vide H.P. Act, No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 2. In Section 33(2) clause (b) amended vide H.P. Act, No. 16 of 1981, and substituted vide H.P. Act No. 13 of 1984, effective from 25th August, 1981.
 3. Clause (c) amended vide H.P. Act, No. 16 of 1981, and omitted vide H.P. Act No. 13 of 1984, effective from 25th August, 1981.
 4. Inserted vide H.P. Act, No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.
 5. Substituted for the words "Managing Director" vide H.P. Act, No. 16 of 1981, validated by Act No. 13 of 1984, effective from 25th August, 1981.

34. Power to remove difficulty.- If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order published in the Official Gazette, make such provisions or giving such direction not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for the removal of such difficulty.

**THE HIMACHAL PRADESH EX-SERVICEMEN CORPORATION
(AMENDMENT AND VALIDATION) ACT, 1984**

[Sections 2 to 13 incorporated in the Principal Act].

14. Repeal and savings.- (1) The Himachal Pradesh Ex-Servicemen Corporation (First Amendment) Act, 1981 (16 of 1981) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken or purporting to have been done or taken in exercise of any power conferred by or under the said Act, shall, so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under this Act, as if this Act was in force on the day when such thing was done or action was taken.

15. Validation.- Notwithstanding anything to the contrary contained in the Himachal Pradesh Ex-Servicemen Corporation Act, 1979 (Act No. 8 of 1980), the Chairman-cum-Managing Director and the Secretary-cum-Chief Accounts Officer of the Corporation shall be and shall always be deemed to have been validly appointed, irrespective of the fact that the provisions contained in the Himachal Pradesh Ex-Servicemen Corporation (First Amendment) Act, 1981 (Act No. 16 of 1981) amending sections 2, 6, 7, 9, 12, 13, 14, 20, 28, 32 and 33 of the principal Act were not enacted in the official language and all appointments and orders made, notifications issued and action taken and acts done in pursuance of the aforesaid provisions shall be deemed to be and always to have been validly made, issued, taken or done as if the provisions as contained in sections 2 to 13 of this Act were enacted and were in force on the day on which such appointment or order was made, notification was issued, action was taken or acts were done.
