

THE WEST PAKISTAN MINERAL DEVELOPMENT CORPORATION ACT, 1958.

(West Pakistan XXVI of 1958)

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THE WEST PAKISTAN MINERAL DEVELOPMENT CORPORATION ACT, 1958.

***(West Pakistan Act XXVI of 1958)¹**

[24th April, 1958.]

An Act to establish a Corporation for the purpose of promoting Mineral Development in the Province of West Pakistan.

WHEREAS it is expedient to establish a Corporation for the purpose of promoting mineral development in the Province of West Pakistan;

Preamble.

It is hereby enacted as follows:—

1. (1) This Act may be called the West Pakistan Mineral Development Corporation Act, 1958.

Short title and extent.

²[(2) It extends to the whole of the ³[Pakistan].

2. In this Act, unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, that is to say—

Definitions.

(i) "Board" means the Board of Directors of the Corporation;

(ii) "Chairman" means the Chairman of the Board;

(iii) "Corporation" means the West Pakistan Mineral Development Corporation established under this Act;

(iv) "Director" means a Director of the Corporation;

(v) "Government" means ⁴[Provincial Government]; and

(vi) "prescribed" means prescribed by rules or regulations made under this Act,

3. (1) Government shall establish a Corporation by the name of the West Pakistan Mineral Development Corporation.

Establishment and incorporation.

* This Act has been extended to the District of Karachi subject to certain modifications see the West Pakistan Laws (Extension to Karachi) Ordinance 1964 (Ordinance No. 7 of 1964), s. 2, Schedule, (with effect from 25th May, 1964).

¹ For Statement of Objects and Reasons .see Gazette of West Pakistan, 1958, Extraordinary p.420.

² Subs- by W. P. Ord. VII of 1964, s. 2. Sch.

³ In section-1, in sub-section (2),for the words "Province of West Pakistan excepts the Tribal Areas", the words "Pakistan", subs by P.O.4 of 1975 (Act LXVIII of 1975).

⁴ In clause (v), subs, for "Government of West Pakistan", the words "Provincial Government", by P. O. 4 of 1975 (Act LXIII of 1975).

(2) The Corporation shall be a body corporate having perpetual succession and shall by the said name sue and be sued.

4. (1) The authorised Capital of the Corporation shall be five crores of rupees which shall be subscribed by Government in such installments as may be determined by Government. The share Capital of the Corporation may be increased by the, Government by means of a Gazette notification. Share capital.

(2) The liability of Government to the creditors of the Corporation shall be limited to the amount subscribed by Government as capital of the Corporation.

5. (1) The general direction and administration of the Corporation and its affairs shall vest in the Board, which may exercise all powers and do all acts, which may be exercised or done by the Corporation. Management.

(2) The Board in discharging its functions shall act on commercial considerations and shall follow such directions as, Government may give it from time to time.

(3) If the Board fails to obey any directions mentioned in subsection (2) or if the Board, the Chairman or any Director contravenes the provisions of this Act or of the rules or regulations made thereunder, or if the Chairman or any Director is found guilty of misbehaviour, Government may remove all or any of the Directors or the Chairman, as the case may be, and notwithstanding anything to the contrary contained in sections 6 and 7, appoint temporarily other persons in their place to be the Directors or the Chairman, as the case may be, until new Directors are appointed in accordance with the provisions of section 6 or a new Chairman is appointed in accordance with the provisions of section 7:

Provided that only the provisions of clauses (a), (b) and (e) of subsection (2) of section 6 shall apply to the persons appointed temporarily under this sub-section to be Directors.

6. (1) The Board shall consist of not less than three and not more than five Directors to be appointed by Government: Appointment and terms of office of Directors.

Provided that one of the Directors shall be a person, who, in the opinion of Government, is qualified to hold charge of the finances of the Corporation (hereinafter called the Finance Director), and shall be appointed after previous consultation with the Chairman.

(2) Each Director shall—

(a) be a whole-time officer of the Corporation.

(b) perform such duties as the Board may, by regulations, assign to him;

- (c) before assuming office as Director, divest himself of any office of Director or other interest held by him in any other corporation, company or concern other than a public company sponsored by the Corporation under subsection (2) of section 14;
- (d) hold office for a term of three years unless removed by Government before the expiry of that term; and
- (e) receive such salary and allowances as Government may determine.

(3) Government may, if it considers it necessary in the public interest to do so, exempt by a special order, any person who has been or is appointed as Director from the provisions of clauses (a) and (c) of subsection(2).

(4) Any Director who has completed the term of three years mentioned in clause (d) of subsection (2) may be re-appointed thereafter by Government for such further period, not exceeding three years at a time, as may be specified in the order of his reappointment.

7. (1) Government shall appoint one of the Directors to be Chairman of the Board. Chairman.

(2) The Chairman shall hold office as Chairman for a term of three years and remain in office as Chairman thereafter until his successor in that office is appointed. He may be re-appointed by Government as Chairman for such further period as may be specified in the order of appointment.

(3) The Chairman appointed or re-appointed shall vacate his office if he ceases to be a Director or if he is removed under sub-section (3) of section 5.

8. (1) No person shall be or continue to be a Director who — Disqualification of Directors.

- (a) is a minor; or
- (b) is or becomes of unsound mind; or
- (c) is or at any time has been adjudged insolvent; or
- (d) is or at any time has been convicted of an offence involving moral turpitude; or
- (e) is a Member of the National Assembly or a Provincial Assembly.

(2) No Director shall continue in office, if he absents himself from three consecutive meetings of the Board without the leave of the Chairman and, in case he is the Chairman, without the leave of Government.

9. The Corporation may appoint such officers, advisers and employees as it may consider necessary for the performance of its function, on such terms and conditions as it may consider fit. Appointment of officers etc.

10. (1) The meetings of the Board shall be held at such times and at such places as may be prescribed: Meetings of the Board.

Provided that until regulations are made in this behalf such meetings shall be held at such times and at such places as may be determined by the Chairman.

(2) To constitute a quorum at a meeting of the Board—

(a) if the Board consists of three Directors, not less than two Directors shall be present; and

(b) if the Board consists of more than three Directors, not less than three Directors shall be present.

(3) Each Director, including the Chairman, shall have one vote and in the event of an equality of votes, the Chairman shall have a second or casting vote:

Provided that if the Financial Director records his disagreement in respect of any matter to be specified in the rules framed, under section 19 of this Act, the Chairman shall refer the matter together with his opinion, to Government and that matter shall be finally decided by Government.

(4) If for any reason the Chairman is unable to be present at a meeting, any Director authorised by him in writing in this behalf shall preside at that meeting, and if no Director has been so authorised, the Directors present at the meeting shall elect a Chairman to preside at that meeting.

11. The head office of the Corporation shall be at ¹[the principal seat of the Government.] Head office.

12. The Corporation shall open its account with such ²Bank as is approved by Government for the purpose. Bank account.

¹ Section 11, for the words 'Lahore' the words "the Principal seat of the Government" subs. by. P.O. 4 of 1975. (Act LXIII of 1975).

² The National Bank of Pakistan, Local Principal Office, Lahore, has been approved by Government under this section.

13. The Corporation may invest its funds in any securities of the ¹[Central] or a Provincial Government or in such other securities as are approved by Government. Investment of funds.

14. (1) The Corporation shall draw up schemes for the development, surveying, exploring, prospecting, mining, processing and industrial exploitation of minerals and for improvement of communications, water-supply power and such other ancillary matters as may be conducive to the attainment of these purposes in the areas selected by the Corporation for any such development and submit the same to Government for approval, the object and business of all such schemes being confined to the Province. Business which the Corporation shall transact.

(2) The Corporation shall as soon as may be, proceed to give effect to any scheme approved by Government by sponsoring public companies with objects and business confined to the Province (hereinafter referred to in this section as "the aforesaid companies") incorporated under the Companies Act, 1913, and independent of each other, or in such other manner as may be approved by Government:

Provided that before sponsoring any such company the Corporation shall obtain the approval of Government to the company's capital structure.

²[Explanation.- In this sub-section, the expression minerals means all mineral except mineral oil, natural gas and mineral resources necessary for the generation of nuclear energy.

(3) The Corporation shall, unless otherwise directed by Government, act as managing agents for the aforesaid companies, and may, with the prior concurrence of Government, relinquish the managing agency in favour of any company, firm or individual.

(4) The Corporation shall be represented on the Board of Directors of the aforesaid companies.

(5) The Corporation may issue the capital required by the aforesaid companies for public subscription, and if any portion thereof remains unsubscribed for a period of four months from the date of issue, such portion may, with the previous approval of Government, be subscribed for by the Corporation.

(6) The Corporation may with the previous approval of Government underwrite the whole or any portion of the share capital issued by any of the aforesaid companies.

¹ Subs., for "Federal", by W. P. A. Order, 1964, 2. -(1) Sch. Pt. VIII.

² Ins. by P. O. 4 of 1975 (Act LXIII of 1975).

(7) The Corporation may, if it considers expedient, sell or transfer all or any of the shares subscribed by it under subsection (6):

Provided that the Corporation shall not, without the previous sanction of Government, sell or transfer such shares at a rate below the par value of such shares, or below the prevailing market rate if such rate is higher than the par value of the shares.

(8) The Corporation may, with the previous sanction of Government and on such terms and conditions as may be specified by Government, borrow moneys for the implementation of any of the schemes approved by Government.

15. The Corporation shall, with the previous approval of Government, appoint its auditors who shall be persons holding Certificate under section 144 of the Companies Act, 1913: Audit.

Provided that if Government so directs, the accounts shall be audited by the Comptroller and Auditor General.

16. The Corporation shall as soon as possible after the end of every financial year furnish to Government— Balance sheet and report.

(a) a balance-sheet and the profit and loss account drawn up in accordance with the provisions of sections 132 132-A and 133, of the Companies Act, 1913, and audited by the auditors appointed under section 15; and

(b) a report on the conduct of its affairs for the preceding financial year and on its proposals for the next ensuing financial year.

17. The profits of the Corporation shall be deemed to be the income of Government and shall be payable to it in such manner as may be approved by Government. Profits to be paid to Government.

18. As soon as possible after the end of every financial year, Government shall cause to be laid before the Provincial Assembly the audited statement of accounts and the annual report referred to in section 16 together with such observations as Government may see fit to make. Reports to be laid before the Provincial Assembly.

19. Government may make rules for the purpose of giving effect to the provisions of this Act. Rules.

20. (1) The Board may, with the previous sanction of Government, make regulations for the purpose of giving effect to the provisions of this Act. Regulations.

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

- (a) the meetings of the Board.
- (b) the investment of the Corporation's funds,
- (c) the sale or transfer of shares under sub-section(7) of section 14.

(3) If any regulation framed under this section is repugnant to or inconsistent with any rule framed under section 19, then the regulation shall, to the extent of the repugnancy or inconsistency, be void and the rule shall prevail.

21. All rules and regulations made under this Act shall be published in the official Gazette, and shall be laid before the Provincial Assembly within six months of such publication. Rules and Regulations to be published in the official Gazette.
22. The West Pakistan Mineral Development Corporation Ordinance, 1957, is hereby repealed. Repeal.