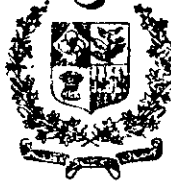


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**The Gazette of Pakistan**



EXTRAORDINARY  
PUBLISHED BY AUTHORITY

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ISLAMABAD, TUESDAY, AUGUST 31, 1976

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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

*Islamabad, the 31st August, 1976*

The following Acts of Parliament received the assent of the President on the 26th August, 1976, and are hereby published for general information:—

ACT No. LIV OF 1976

*An Act to provide for the establishment of a Pakistan Shipping Corporation*

WHEREAS it is expedient to provide for the establishment of a Pakistan Shipping Corporation, and for matters connected therewith or incidental thereto ;

It is hereby enacted as follows:—

1. **Short title, extent and commencement.**—(1) This Act may be called the Pakistan Shipping Corporation Act, 1976.

(2) It extends to the whole of Pakistan and also applies to the assets, liabilities, shares and proprietary interests, wherever situated, of managed establishments.

(3) It shall come into force at once.

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

(a) "Act" means the Pakistan Maritime Shipping (Regulation and Control) Act, 1974 (XVIII of 1974) ;

(b) "Board" means the Board of Directors constituted under section 8 ;

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

(d) "company" means a company formed and registered under the Companies Act, 1913 (VII of 1913) ;

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- (e) "Corporation" means the Pakistan Shipping Corporation established under section 3 ;
- (f) "establishment" means a company, corporation, firm, concern, institution or enterprise and includes any related office, shop, factory, godown, yard, stocks and stores, wherever they may be ;
- (g) "managed establishment" means an establishment in respect of which a managing director is or has at any time been appointed pursuant to section 6 of the Act, but does not include the National Shipping Corporation established under the National Shipping Corporation Ordinance, 1963 (IV of 1963) ;
- (h) "person" includes a body corporate, an individual, a Hindu undivided family, a firm, an association of persons, a body of individuals, the Federal Government, the Government of a Province and a local authority ;
- (i) "regulations" means regulations made under this Act ;
- (j) "rules" means rules made under this Act ;
- (k) "Vice-Chairman" means the Vice-Chairman of the Board.
- (l) words and expressions used but not defined in this Act shall have the same meaning as in the Companies Act, 1913 (VII of 1913).

**3. Establishment and incorporation.**—(1) As soon as may be after the commencement of this Act, the Federal Government shall establish a corporation to be called the Pakistan Shipping Corporation.

(2) The Corporation shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and shall by the said name sue and be sued.

**4. Head Office.**—The Corporation shall establish its head office in Karachi and may establish such offices within Pakistan and abroad as the Board thinks fit.

**5. Share Capital.**—(1) The authorised share capital of the Corporation shall in the first instance be twenty crores of rupees divided into two crore shares of ten rupees each.

(2) The Federal Government shall at all times hold a majority in value of the shares issued by the Corporation.

(3) The subscribed capital of the Corporation shall in the first instance comprise shares allotted against entitlements resulting in accordance with section 30 and any further allotments that may be necessary to complete the minimum shareholding of the Federal Government required by sub-section (2).

(4) The Corporation may increase its capital whenever it thinks fit with the previous sanction of the Federal Government and the Federal Government may impose such conditions as it considers necessary when sanctioning any increase.

(5) All transfers of the shares of the Corporation shall be subject to the provisions of this Act and the rules.

**6. Functions and powers of the Corporation.**—(1) It shall be the function of the Corporation to undertake the management of the managed establishments the management of which is transferred to the Corporation by the Federal

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Government under the Act, and to assume the ownership of the shares or proprietary interests of such managed establishments which have been acquired by the Federal Government under section 5 of the Act and are transferred to and vested in the Corporation under this Act.

(2) The Corporation shall provide and develop safe and efficient shipping services and have power to engage in all forms of activities connected with or ancillary, incidental or conducive to shipping.

(3) Without prejudice to the generality of the provisions of sub-section (2), the Corporation shall in particular have power—

- (a) to establish and maintain lines or other services of ships or other vessels between ports, whether in Pakistan or abroad, and on any national or international routes, and generally to carry on the business of shipowners, and to enter into contracts for the carriage of mails, passengers, goods, provisions, live and dead stock, commodities, articles, chattels, merchandise and property of every kind by any means, and either by its own vessels and other forms of transportation, or by or over the vessels and modes of transportation of others ;
- (b) to purchase, take in exchange, charter, hire, build, construct or otherwise acquire, and to own, work, manage, and trade with ships, other vessels and other vehicles, or any shares or interests therein, and all necessary and convenient equipment, engines, tackle, gear, furniture and stores, and to maintain, repair, fit out, refit, improve, insure, alter, sell, exchange, or let out on hire or charter or otherwise deal with and dispose of, any of the ships, other vessels and other vehicles, any shares or interest therein, or any of the engines, tackle, gear, furniture, equipment, and stores of, or under the management or control of, the Corporation ;
- (c) to construct, improve, maintain, develop, work, manage, carry out, or control harbours, wharves, terminals, graving and other docks and other conveniences for the building or repairing or docking of ships and other vessels, workshops, mills, buildings, warehouses, sheds, roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses and other works and conveniences ; and to contribute to, subsidise, or otherwise assist or take part in the constructions, improvement, maintenance, development, working, management, carrying out, or control thereof ;
- (d) with the previous approval of the Federal Government, to promote and form, or aid and assist in promoting and forming, or to otherwise associate with, companies and other bodies corporate, syndicates, partnerships, joint ventures and other organisations in or outside Pakistan for the purpose of advancing directly or indirectly the objects of the Corporation or for any other purpose which the Corporation may find expedient in the performance of its functions ;
- (e) to establish, institute or make other arrangements for the instruction and training of persons engaged or likely to be engaged in any activities connected with or ancillary to shipping ;
- (f) to acquire, hold or dispose of any property, whether movable or immovable ;
- (g) to do all other things connected with or ancillary to any of the matters referred to in clauses (a) to (f) ; and

- (h) to perform and exercise all or any of the functions and powers of the Corporation under this Act by itself or through one or more companies owned or controlled directly or indirectly by the Corporation, and either exclusively through such companies or partly by itself, or in any other manner that the Corporation may deem expedient.

(4) In the performance and exercise of its functions and powers the Corporation shall have careful regard to sound business principles.

**7. Administration of the affairs of the Corporation.**—(1) The general direction and the 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.

(2) In the performance, of its functions, the Corporation shall be guided on questions of policy by directives, if any, given to it by the Federal Government which shall be the sole judge as to whether a question is a question of policy.

**8. The Board of Directors.**—(1) The Board shall consist of seven Directors to be appointed by the Federal Government, of whom three shall be designated Shareholder's Directors.

(2) If a Director is out of Pakistan or is about to go out of Pakistan, the Federal Government may appoint any person to be an Alternate Director during his absence from Pakistan, and such Alternate Director shall be entitled to notice of meetings of the Board and any committees of the Board of which the Director may be a member and to attend and vote thereat as if he were a Director.

(3) The Shareholders' Directors and the Alternate Directors appointed for them shall hold shares in the capital of the Corporation of such nominal value as may be prescribed by rules and shall acquire such share qualification within two months from the date of their appointment :

Provided that no share qualification shall be required for the Shareholders' Directors and the Alternate Directors appointed for them until the expiry of two months from the date the shares of the Corporation are quoted on a stock exchange registered under the Securities and Exchange Ordinance, 1969 (XVII of 1969).

(4) The Directors and the Alternate Directors, other than the Shareholders' Directors and the Alternate Directors appointed for them, shall not require any share qualification.

(5) Every Director and Alternate Director, other than the Chairman and the Vice-Chairman, shall—

- (a) perform such special duties as the Board may, by regulation, assign to him ; and
- (b) receive such remuneration, fees and allowances, and enjoy such privileges, as the Federal Government may determine.

**9. Terms of office of Directors and Alternate Directors.**—(1) A Director shall hold office for a term of three years :

Provided that the Federal Government may, on resignation by a Director or otherwise, terminate his appointment before the expiry of his term.

(2) If a vacancy shall occur in the office of a Director, the Federal Government may fill such vacancy by appointing another person qualified to hold that office.

(3) A Director completing his term of appointment may be appointed for a further term in accordance with, and subject to the provisions of, this Act.

(4) An Alternate Director shall hold office for the period for which the Director for whom he is appointed such Alternate Director remains absent from Pakistan :

Provided that the Federal Government may, on resignation by an Alternate Director or otherwise, terminate his appointment before the expiry of the said period.

(5) The appointment of every Director and Alternate Director and the fact of his ceasing to hold office shall be notified in the official Gazette.

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

10. **Chairman.**—(1) The Federal Government shall appoint one of the Director to be the Chairman of the Board.

(2) The Chairman shall hold office for a term of three years unless he sooner ceases to be a Director :

Provided that the Federal Government may, on resignation by the Chairman or otherwise, terminate his appointment before the expiry of his term.

(3) If a vacancy shall occur in the office of Chairman, another Director may be appointed to fill such vacancy.

(4) The appointment of the Chairman and the fact of his ceasing to hold office shall be notified in the official Gazette.

(5) A Chairman completing his term of appointment may be appointed for a further term in accordance with, and subject to the provisions of, this section.

(6) The Chairman shall receive such remuneration, fees and allowances, and enjoy such privileges, as the Federal Government may determine.

(7) The Chairman shall be the Chief Executive of the Corporation and shall perform such functions as are assigned to him by this Act or as may be delegated or assigned to him by the Board.

11. **Duties of Chairman.**—The Chairman shall—

- (a) direct and control, on behalf of the Board, the business and affairs of the Corporation as its Chief Executive, subject to the rules and regulations of the Corporation and such orders and directives on questions of policy as the Federal Government may from time to time give in writing ;
- (b) preside at every meeting of the Board and every general meeting of the shareholders of the Corporation, unless prevented by sickness or other reasonable cause ; and
- (c) be responsible for the orderly conduct of the business of the Board.

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12. **Vice-Chairman.**—(1) The Federal Government shall appoint one of the Directors to be the Vice-Chairman of the Board.

(2) The Vice-Chairman shall hold office for a term of three years unless he sooner ceases to be a Director :

Provided that the Federal Government may, on resignation by the Vice-Chairman or otherwise, terminate his appointment before the expiry of his term.

(3) If a vacancy shall occur in the office of Vice-Chairman, another Director may be appointed to fill such vacancy.

(4) The appointment of the Vice-Chairman and the fact of his ceasing to hold office shall be notified in the official Gazette.

(5) A Vice-Chairman completing his term of appointment may be appointed for a further term in accordance with, and subject to the provisions of, this section.

(6) The Vice-Chairman shall receive such remuneration, fees and allowances, and enjoy such privileges, as the Federal Government may determine.

(7) The Vice-Chairman shall discharge, perform and exercise such duties, functions and powers as are assigned to him by this Act or as may be assigned to him by the Chairman or as may be delegated or assigned to him by the Board and, during the absence of the Chairman from Pakistan or from a meeting of the Board or a general meeting of the shareholders of the Corporation, the Vice-Chairman shall also discharge, perform and exercise all the duties, functions and powers which are assigned to the Chairman by or under this Act.

13. **Disqualification of Directors.**—(1) No person shall be appointed or shall continue to be a Director or Alternate Director who—

- (a) is or at any time has been convicted of an offence involving moral turpitude ; or
- (b) is or at any time has been adjudicated insolvent ; or
- (c) is found to be a lunatic or becomes of unsound mind ; or
- (d) is a minor.

(2) A Shareholders' Director and an Alternate Director appointed for a Shareholders' Director shall cease to hold office as such if he fails to obtain within the time specified in sub-section (3) of section 8, or if at any time thereafter ceases to hold, the prescribed share qualification, if any, applicable to him.

(3) A Director or an Alternate Director shall cease to hold office if he absents himself from three consecutive meetings of the Board without the leave of the Board :

Provided that a Director shall be deemed to have received such leave for his absence from meetings of the Board during any period that the appointment of an Alternate Director for him is effective.

14. **Appointment of officers, etc.**—The Corporation may appoint such advisers and consultants and such officers and other employees as it considers necessary for the efficient performance and exercise of its functions and powers on such terms and conditions as it may deem fit.

**15. Delegation of powers.**—The Board may, for the purpose of ensuring efficient functioning of the Corporation and facilitating transaction of its daily business, delegate to the Chairman, Vice-Chairman, any Director or Alternate Director, any officer of the Corporation, or any other person, subject to such conditions and limitations, if any, as may be specified by the Board, such of its powers and functions under this Act as it may deem necessary.

**16. Meetings of the Board.**—(1) Meetings of the Board may be held at such times and at such places as the Chairman may from time to time decide, but not less than one meeting of the Board shall be held in every calendar quarter, and a meeting of the Board shall be convened if the Chairman receives a request therefor in writing from two or more of the Directors or Alternate Directors.

(2) Such notice shall be given of meetings of the Board as may be prescribed by regulations.

(3) To constitute a quorum at a meeting of the Board, not less than four members, being Directors or Alternate Directors, shall be present.

(4) Every meeting of the Board shall be presided at by the Chairman, but in the absence of the Chairman the Vice-Chairman shall preside at the meeting, and in the absence of both the Chairman and the Vice-Chairman, the Directors and Alternate Directors present shall choose one from among themselves to preside at the meetings.

(5) Each Director and Alternate Director shall have one vote and, in the event of an equality of votes, the Chairman or the Vice-Chairman presiding at the meeting shall have a second or casting vote, but any other Director or Alternate Director presiding at a meeting shall not have a second or casting vote in the event of an equality of votes.

**17. Committees of the Board.**—(1) The Board may from time to time delegate any of its powers to committees consisting of such Directors as the Board may think fit, and may from time to time revoke such delegation, and any committee so formed shall, in the exercise of the powers so delegated, conform to the regulations, if any.

(2) The minutes of every meeting of a committee shall be laid before the Board at its next meeting following such meeting.

**18. Bank Accounts.**—The Corporation may open accounts in any scheduled banks in Pakistan or, with the prior approval of the Federal Government, in any banks outside Pakistan.

*Explanation.*—In this section, “scheduled bank” has the same meaning as in the State Bank of Pakistan Act, 1956 (XXXIII of 1956).

**19. Investment of funds.**—The Corporation may invest its funds in any securities of the Federal Government or a Provincial Government and may make such other investments as may be approved by the Board.

**20. Borrowing powers.**—The Corporation may borrow in Pakistan currency on such terms and conditions as may be approved by the Board and in foreign currency on such terms and conditions as may be approved by the Federal Government.

**21. Accounts.**—(1) The year of account of the Corporation shall be the year commencing the first day of July and ending the following thirtieth day of June.

(2) The Corporation shall maintain its accounts in such manner as may be required for a company under the Companies Act, 1913 (VII of 1913) and the Securities and Exchange Ordinance, 1969 (XVII of 1969).

**22. Audit.**—(1) The accounts of the Corporation shall be audited by not more than two auditors who are chartered accountants within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961).

(2) The first auditors shall be appointed by the Board for one year and thereafter the auditors shall be appointed every year by the shareholders in general meeting.

(3) An auditor of the Corporation shall perform such duties and exercise such powers as are provided for an auditor of a company under the Companies Act, 1913 (VII of 1913) and the Securities and Exchange Ordinance, 1969 (XVII of 1969).

(4) The report of the auditors of the Corporation shall be in such form as may be provided for a company under the Companies Act, 1913 (VII of 1913) and the Securities and Exchange Ordinance, 1969 (XVII of 1969).

**23. Report of the Board.**—(1) When the annual accounts of the Corporation have been audited, the Board shall make out a report with respect to the year of account on the operations and state of affairs of the Corporation, the amount, if any, which it recommends should be paid by way of dividend and the amount, if any, which it proposes to carry to the reserves.

(2) The Board shall submit to the Federal Government a copy of the audited annual account of the Corporation and the report of the auditors together with the report of the Board, and shall also send a copy of such accounts and reports to every shareholder of the Corporation.

**24. Dividends.**—(1) The shareholders of the Corporation in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the Board.

(2) The Board may from time to time pay to the shareholders of the Corporation such interim dividends as appear to the Board to be justified by the profits of the Corporation.

(3) No dividend shall be paid otherwise than out of the profits of the Corporation for the year of account or any other undistributed profits.

**25. General meetings.**—(1) General meetings of the shareholders of the Corporation shall be held at Karachi.

(2) The annual general meeting of the shareholders shall be held within six months from the date on which the annual accounts of the Corporation are closed.

(3) Any other general meeting of the shareholders may be convened by the Board at any time.



(4) The shareholders present at the annual general meeting shall be entitled to discuss and adopt or make recommendations to the Board with regard to the annual accounts, the report of the auditors thereon, and the annual report of the Board on the working of the Corporation.

(5) The proceedings of the general meetings of the shareholders shall be regulated in such manner as may be prescribed by rules.

**26. Declaration of fidelity and secrecy.**—The Chairman, the Vice-Chairman and every Director and Alternate Director, auditor, officer or servant of the Corporation shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the First Schedule.

**27. Indemnity of members of the Board.**—(1) The Chairman, the Vice-Chairman, and every other Director and Alternate 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) Neither the Chairman nor the Vice-Chairman nor any other Director or Alternate Director shall be personally responsible for the acts of any other of them or of any officer or servant of the Corporation for any loss or expense resulting to the Corporation by reason of the insufficiency or deficiency in value of or title to any property or security acquired or taken on behalf of the Corporation, or by the wrongful act of any person under a liability to the Corporation, or by anything done by him in good faith in the execution of the duties of his office.

**28. Transfer to the Corporation of the management of managed establishments.**—(1) As soon as may be after the commencement of this Act, the Federal Government shall, in exercise of the power conferred on it by sub-section (3) of section 13 of the Act, by notification in the official Gazette, transfer to the Corporation the management of the managed establishments listed in the Second Schedule.

(2) Immediately upon the transfer to the Corporation of the management of the managed establishments listed in the Second Schedule, the Board of Management set up under section 7 of the Act shall cease to exercise or perform any powers or functions under the Act in relation to such managed establishments; and the said Board may then be wound up by order of the Federal Government in such manner as the Federal Government may direct.

**29. Transfer to the Corporation of the ownership of shares and proprietary interests in managed establishments.**—(1) When the management of a managed establishment listed in the Second Schedule has been transferred to the Corporation, the Federal Government may by notification in the official Gazette, transfer to and vest in the Corporation the shares of such managed establishment if it is a company or the proprietary interests in such managed establishment if it is not a company, and on such day as may be specified in the notification (hereinafter referred to as the appointed day) all the issued or subscribed shares of such managed establishment if it is a company, or the whole of the proprietary interests in such managed establishment if it is not a company, shall stand transferred to and vested in the Corporation; such managed establishment is hereinafter referred to as the acquired establishment.

(2) Where the acquired establishment is a company, every person who immediately preceding the appointed day held any shares of such company shall,

within ninety days of the appointed day, surrender to the Managing Director of the acquired establishment all the share certificates held by him pertaining to the shares transferred to and vested in the Corporation, and the Managing Director shall forthwith cancel such share certificates surrendered to him.

(3) Any share certificate required to be surrendered under sub-section (2) and not so surrendered shall on the expiry of ninety days from the appointed day stand cancelled.

(4) The Managing Director of the company referred to in sub-section (2) shall within one hundred and eighty days from the appointed day issue and deliver to the Corporation one or more new certificates as the Corporation may direct in lieu of the share certificates cancelled by him pursuant to sub-section (2) or which stand cancelled in accordance with sub-section (3) in respect of the shares transferred to and vested in the Corporation.

**30. Valuation of shares and proprietary interests in acquired establishments and entitlement of their owners to shares of the Corporation.**—(1) The Federal Government shall cause to be made and completed as expeditiously as may be, through such person, being a Chartered Accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961), and in such manner as it thinks fit, a determination as on the appointed day separately of the net worth of the acquired establishment and the aggregate net worths of the Corporation and all the acquired establishments the undertakings of which have not been transferred to and vested in the Corporation under section 31 on or before the appointed day, and such determination shall be made on the basis of the principles set out in the Third Schedule, and the aforesaid net worth of the acquired establishment and the aggregate net worths shall, on being approved by the Federal Government, be notified in the official Gazette and shall be final.

(2) The Board shall allocate for the acquired establishment such number of fully paid-up shares of the Corporation as shall bear to the total number of shares allocated or to be allocated to all the acquired establishments, as nearly as may be, the same proportion that the net worth of the acquired establishment bears to the aggregate net worths of the Corporation and all the acquired establishments the undertakings of which have not been transferred to and vested in the Corporation under section 31.

(3) Where the acquired establishment is a company, every person who immediately before the appointed day owned any ordinary shares of such company shall be entitled to receive, in lieu of his ordinary shares in such company, such number of fully paid-up shares of the Corporation as shall bear to the number of shares of the Corporation allocated to such company in accordance with sub-section (2), as reduced by the number of shares of the Corporation comprising entitlements arising under sub-section (4) in respect of preference shares, if any, of such company, the same proportion as the amount paid up on his ordinary shares bears to the aggregate amount paid up on all the ordinary shares of such company.

(4) Every person who immediately before the appointed day owned any preference shares of the company referred to in sub-section (3) shall be entitled to receive, in lieu of his preference shares, fully paid-up shares of the Corporation of a face value equal to the face value of his preference shares in such company.

(5) Where the acquired establishment is not a company, every person who immediately before the appointed day owned the proprietary interests, or any part thereof, in the acquired establishment shall be entitled to receive, in lieu of his share of such interest, such number of fully paid-up shares of the Corporation as shall bear to the number of shares of the Corporation allocated to the acquired establishment in accordance with sub-section (2) the same proportion as the value of his share of such proprietary interests bears to the aggregate value of all the proprietary interests in the acquired establishment.

(6) An entitlement to shares of the Corporation arising under this section shall not be questioned on account of the allocation of shares to the acquired establishment not being according to the proportion specified in sub-section (2) or on account of such entitlement not being related to the net worth of the acquired establishment determined in accordance with sub-section (1).

(7) The Board shall issue certificates for entitlement to shares of the Corporation arising under this section within ninety days of the notification of net worth under sub-section (1), and, subject to sub-section (2), each such certificate shall entitle the person in whose favour it is issued to receive an allotment of shares of the Corporation in such number and value as are mentioned in the certificate and, pending such allotment, to be treated as if he were the registered holder of that number of shares on and from the appointed day for the purposes of any entitlement of shareholders to receive dividends declared by the Corporation or bonus shares issued upon any capitalisation of profits determined by the Corporation or to subscribe for further shares which the Corporation may decide to offer for subscription to its shareholders.

(8) The Board shall decide on the treatment of fractions of shares resulting from the determination of entitlements to shares of the Corporation in accordance with this section, and the Board may make such provisions by the issue of fractional certificates or by payment in cash or otherwise for the purpose as it may deem proper.

**31. Transfer to the Corporation of the undertaking of acquired establishment.—**(1) The Federal Government may, by notification in the official Gazette, transfer to and vest in the Corporation the undertaking of any acquired establishment, and on such date as may be specified in the notification the entire undertaking of the acquired establishment shall stand transferred to and vested in the Corporation.

(2) The undertaking so transferred and vested shall include all assets, rights, powers, authorities and privileges, and all property, movable and immovable, including lands, works, workshops, ships, vessels, vehicles, cash balances, reserve funds, investments and book debts, whether within or outside Pakistan, and all other rights and interests arising out of such property, as were immediately before the transfer to and vesting in the Corporation of the undertaking in the ownership, possession or power of the acquired establishment, and all books of account and documents relating thereto, and, subject to section 20 of the Act, all borrowings, liabilities and obligations of whatever kind then subsisting of the acquired establishment.

(3) Subject to section 20 of the Act, all contracts, agreements and other instruments of whatever nature subsisting or having effect immediately before the transfer to and vesting in the Corporation of the undertaking of an acquired establishment, to which such acquired establishment was a party or which were in favour of such acquired establishment, shall have full force and effect against

or in favour of the Corporation, and may be enforced or acted upon as fully and effectively as if, instead of the acquired establishment, the Corporation had been a party thereto or as if they had been entered into or issued in favour of the Corporation.

(4) If, on the date of the transfer to and vesting in the Corporation of the undertaking of an acquired establishment, any suit, appeal or other proceeding of whatever nature is pending by or against such acquired establishment, it shall not abate, be discontinued or be in any way prejudicially affected by reason of such vesting or transfer or anything done under this Act but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the Corporation.

**32. Certain existing arrangements to continue.**—All contracts and working arrangements made and all liabilities incurred by the Federal Government or the Board of Management constituted under section 7 of the Act before the vesting of any undertaking under section 31 in connection with or for the purposes of the Corporation or the acquired establishment the undertaking of which is transferred to and vested in the Corporation shall be deemed to have been made or incurred by the Corporation and have effect accordingly.

**33. Dissolution of acquired establishment.**—An acquired establishment which is a company shall, notwithstanding anything contained in the Companies Act, 1913 (VII of 1913), stand wound-up and dissolved as from the day on which its undertaking is transferred to and vested in the Corporation.

**34. Liquidation of Corporation.**—No provision of law relating to the winding up of companies or corporations shall apply to the Corporation and the Corporation shall not be wound-up save by order of the Federal Government and in such manner as the Federal Government may direct.

**35. Provisions relating to income-tax and super-tax.**—For purposes of the Income-tax Act, 1922 (XI of 1922), the Corporation shall be deemed to be a company within the meaning of that Act, and shall be liable to income-tax and super-tax accordingly on its income, profits and gains.

**36. Power to make rules.**—The Board may, subject to the approval of the Federal Government, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

**37. Power to make regulations.**—(1) The Board may make regulations to provide for all matters which are not required to be provided for by rules and provision for which is necessary or expedient for carrying out the purposes of this Act.

(2) Where any provision of the regulations is inconsistent with any provision of the rules, the provision of the rules shall prevail.

**38. Removal of difficulties.**—If any difficulty arises in giving effect to any provision of this Act, the Federal Government may make such order not inconsistent with the provisions of this Act as may appear to it to be necessary for the purpose of removing the difficulty.”

THE FIRST SCHEDULE

(See section 26)

DECLARATION OF FIDELITY AND SECRECY

I, ..... hereby declare that I will faithfully, truly and to the best of my judgement, skill and ability, execute and perform the duties required of me as Chairman, Vice-Chairman, a Director, an Alternate Director, officer, employee or auditor (as the case may be) of the Pakistan Shipping Corporation, and which properly relate to any office or position in the said Corporation held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Corporation nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Corporation and relating to the business of the Corporation.

Signature.....

Signed before me.

.....

Date.....

THE SECOND SCHEDULE

(See section 28)

MANAGED ESTABLISHMENT MANAGEMENT OF WHICH SHALL BE TRANSFERRED TO THE CORPORATION

Public Limited Companies :—

- (1) Pan Islamic Steamship Company Ltd ;
- (2) Muhammadi Steamship Co. Ltd ;
- (3) Pakistan Shipping Line Ltd ;
- (4) Chittagong Steamship Corporation Ltd ;
- (5) Gulf Shipping Corporation Ltd ;

Private Limited Companies :—

- (6) Trans Oceanic Steamship Company Ltd ;
- (7) Crescent Shipping Lines Ltd ;
- (8) Muhammadi Engineering Works Ltd ; (subsidiary).

Partnership Firms :—

- (9) East and West Steamship Co ;
- (10) United Oriental Steamship Co ;

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### THE THIRD SCHEDULE

(See section 30)

1. The net worth of an acquired establishment or of the Corporation shall be determined in the following manner, namely :—

- (1) Where the acquired establishment is a company, and in the case of the Corporation, the break up value of its shares shall first be determined in accordance with sub-paragraph (a) of paragraph 4 of the Schedule to the Act and thereafter such break up value shall be multiplied by the number of its paid-up shares and to the product thereof shall be added the aggregate value of its paid-up preference shares.
- (2) Where the acquired establishment is not a company, in accordance with sub-paragraph (b) of paragraph 4 of the Schedule to the Act.

2. For the purpose of determination of net worth under paragraph 1, the basis shall be the audited balance sheet of the acquired establishment or, as the case may be, the Corporation on the appointed day and not the latest available audited annual balance sheet as stipulated in the Schedule to the Act.

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