

# THE PAKISTAN INTERNATIONAL AIRLINES CORPORATION ACT, 1956



# **CONTENTS**

1.	Short title, extent and commencement.
2.	Interpretation.
3.	Establishment and incorporation.
4.	Functions of the Corporation.
5.	Administration of the affairs of the Corporation.
6.	The Board of Directors.
7.	Terms of office of Directors.
8.	Chairman.
8 A.	Managing Director.
9.	Disqualification of Directors.
10.	Appointment of officers, etc
11.	Meetings of the board. Quorum.
12.	Head Office.
13.	Deposit account.
14.	Investment of funds.
15.	Borrowing powers.
16.	Audit.
17.	Accounts.
18.	General meetings.
19.	Declaration of fidelity and secrecy.
20.	Indemnity of Directors.
21.	Transfer to the Corporation of the undertaking of the Orient Airways Ltd.
22.	Certain existing arrangements to continue.
23.	Winding up and dissolution of Orient Airways Ltd.
24.	Valuation of assets of Orient Airways Ltd, and allotment of shares to the shareholders of Orient Airways Ltd.
25.	Share capital.

26.

27.

Limited guarantee against loss.

Liquidation of Corporation.

- 28. Provisions relating income-tax and super-tax.
- 29. Power of Federal Government to make rules.
- 30. Power of Board to make regulations.
- 31. Rules and regulations to be held before the Legislature.
- 32. [Repealed.]

SCHEDULE.
Declaration of Fidelity and Secrecy.

#### THE PAKISTAN INTERNATIONAL AIRLINES CORPORATION ACT, 1956.

## <sup>1</sup>ACT NO. XIX OF 1956

[18<sup>th</sup>April, 1956]

### An Act to establish the Pakistan International Airlines Corporation.

WHEREAS it is necessary to provide for the establishment of a Corporation to facilitate acquisition of the air-transport under-taking of the Orient Airways Limited, and to make further and better provision for the operation and development of air-transport services and purposes connected therewith;

It is hereby enacted as follows:—

- **1. Short title, extent and commencement.**—(1) This Act may be called the Pakistan International Airlines Corporation Act, 1956.
  - (2) It extends to the whole of Pakistan.
  - (3) It shall come into force at once.
  - **2. Interpretation.** In this Act, unless there is anything repugnant in the subject or context,—
    - (a) "Board" means the Board of Directors of the Corporation;
    - <sup>2</sup>[(aa) "Chairman" means Chairman of the Board;]
    - **(b)** "Corporation" means the Pakistan International Airlines Corporation established under this Act; and
    - (c) "prescribed" means prescribed by rules or regulations made under this Act.

<sup>&</sup>lt;sup>1</sup> For Statement of Objects and Reasons, See Gaz. of Pak., 1956, Ext., dated the 5<sup>th</sup> April, 1956, p. 586.

<sup>&</sup>lt;sup>2</sup> Cl. (aa) ins. by the Pakistan International Airlines Corporation (Amdt.) Act, 1975 (1 of 1976), s. 2 (w.e.f. 8<sup>th</sup> January, 1976).

- **3. Establishment and incorporation.**—(1) As soon as may be after the commencement of this Act, the <sup>1</sup>[Federal Government] shall establish a Corporation to be called the Pakistan International Airlines Corporation.
- (2) The Corporation shall be a body corporate by the name of the Pakistan International Airlines Corporation, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire and hold property both movable and immovable and to carry out the functions and duties of the Corporation under this Act, and shall by the said name sue and be sued.
- **4. Functions of the Corporation.**—(1) It shall be the function of the Corporation to take over the undertaking of the Orient Airways Limited hereinafter in this Act referred to as the "said Company" and all such under-takings of the <sup>1</sup>[Federal Government] as were under-taken for the purposes of the Corporation and, subject to the provisions of the <sup>2</sup>[Civil Aviation Ordinance, 1960] to provide and further develop safe, efficient, adequate, economical and properly co-ordinated air-transport services, internal as well as international; and the Corporation shall so exercise its powers as to secure that air-transport services are developed to the greatest possible advantage in the interests of the country.
- (2) Without prejudice to the generality of the powers conferred by sub-section (1) the Corporation shall in particular have power,—
  - (a) to operate any air-transport service or any flight by aircraft for a commercial or other purpose, and to carry out all forms of aerial work;
  - <sup>3</sup>[(aa) to acquire, own, run, manage, or participate in the running or management of, any hotel or business connected therewith;]

<sup>&</sup>lt;sup>1</sup>Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government" (w.e.f. 28<sup>th</sup> July, 1975).

<sup>&</sup>lt;sup>2</sup> Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981), s . 3 and II Sch.

<sup>&</sup>lt;sup>3</sup> New cl. (aa) ins. by the Laws Amendment Ordinance, 1965 (39 of 1965), s. 3, (w.e.f. 4<sup>th</sup> October, 1965).

- **(b)** to provide for the instruction and training in matters connected with aircraft or flight by aircraft of persons employed or desirous of being employed either by the Corporation or by any other person;
- (c) with the previous approval of the <sup>1</sup>[Federal Government], to promote any organisation outside Pakistan for the purpose of engaging in any activity of a kind which the Corporation has power to carry on;
- (d) to acquire, hold or dispose of any property, whether movable or immovable, or any air-transport undertaking;
- (e) to repair, overhaul, reconstruct, assemble or recondition aircraft, vehicles or other machines and parts, accessories and instruments thereof or therefor and also to manufacture such parts, accessories and instruments, whether the aircraft, vehicles or other machines are owned by the Corporation or by any other person;
- (f) to do all things incidental to or connected with any of the matters referred to in sub-section (1) and in clauses (a) to (e).
- (3) In discharging its functions the Corporation shall have careful regard to business principles.
- **5.** 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 of Directors which may exercise all powers and do all acts which may be exercised or done by the Corporation.
- (2) The <sup>1</sup>[Federal Government] may, as and when it considers necessary, issue directives to the Corporation on matters of policy, and such directives shall be binding on the Corporation. If a question arises whether any matter is a matter of policy or not, the decision of the <sup>1</sup>[Federal Government] shall be final.

<sup>&</sup>lt;sup>1</sup> Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government" (w.e.f. 28<sup>th</sup> July, 1975).