

## **Punjab Mineral Development Corporation Act, 1975**

**33 of 1975**

**[03 April 1975]**

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### **Punjab Mineral Development Corporation Act, 1975**

**33 of 1975**

**[03 April 1975]**

An Act to establish a Corporation for the purpose of promoting mineral development in the Province of the Punjab. Preamble.- WHEREAS it is expedient to establish a Corporation for the purpose of promoting mineral development in the Province of the Punjab: It is hereby enacted as follows:-

#### CHAPTER 1

#### PRELIMINARY

### **1. Short Title, Extent And Commencement :-**

- (1) This Act may be called the Punjab Mineral Development Corporation Act, 1975.
- (2) It extends to the whole of the Province of the Punjab.
- (3) It shall come into force at once.
- (4) It shall apply to all minerals, except mineral oil, natural gas and mineral resources necessary for the generation of nuclear energy.

### **2. Definitions :-**

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

- (a) "Board" means the Board of Directors of the Corporation;
- (b) "Chairman" means the Chairman of the Corporation;
- (c) "Corporation" means the Punjab Mineral Development Corporation established under this Act;
- (d) "Director" means a Director of the Corporation;
- (e) "Government" means Government of the Punjab;
- (f) "prescribed" means prescribed by rules;
- (g) "regulations" means regulations made under this Act;
- (h) "rules" means rules made under this Act; and
- (i) "specified" means specified by regulations.

### **3. Establishment And Incorporation :-**

(1) As soon as may be after the commencement of this Act, Government shall establish a Corporation to be called the Punjab Mineral Development 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 and hold property, both movable and immovable and shall sue and be sued by the said name.

(3) The head office of the Corporation shall be at Lahore.

### **4. Management And Administration :-**

(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.

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

(3) If the Board fails to obey any directions mentioned in sub-section (2) or if the Board, the Managing Director or any Director contravenes the provisions of this Act or of the rules or regulations made under it or if the Managing Director or any Director is found guilty of misconduct, Government may remove all or any of the Directors or the Managing Director, as the case may be, and notwithstanding anything to the contrary contained in sections 5 and 6, appoint temporarily other persons in their place to be the Directors or the Managing Director, as the case may be, until new Directors are appointed in accordance with the provisions of section 5 or a new Managing Director is appointed in accordance with the provisions of section 6; provided that only the provisions of clauses (a), (b) and (e) of sub-section (2) of section 6 shall apply to the person appointed temporarily under this sub-section to be the Management Director.

(4) Government may suspend the execution of any such resolution or order of the Board as in the opinion of Government contravenes the provisions of this Act, the rules, the regulations framed under this Act, or, the directions mentioned in sub-section (2), or prohibit the doing of any act which is to be done or is being done in pursuance of such resolution or order, or, if the act has been

accomplished order its rectification in such manner as may be directed.

## **5. Board :-**

(1) The Board shall consist of a Chairman, a Managing Director and the following Directors:-

(i) The Chairman, Planning and Development Board of Government;

[2][(ii) Secretary to the Government, Mines and Minerals Department, or his nominee not below the rank of a Deputy Secretary; and]

(iii) Secretary to the Government, Finance Department, or his nominee not below the rank of a Deputy Secretary.

(2) The Chairman shall be appointed by Government.

(3) Government may, by notification in the official Gazette, alter the membership of the Board or increase or decrease the number of Directors.

## **6. Managing Director :-**

(1) The managing Director shall be appointed by Government.

(2) The Managing Director shall-

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

(b) perform such duties as may be specified or as may be assigned to him;

(c) hold office as Managing Director for a term of three years and shall remain in office as Managing Director thereafter for three months or until a successor in that office is appointed, whichever is earlier;

(d) receive such salary and allowances as Government may determine;

(e) divest himself of any directorship of, or other interest held by him in, any other corporation, company or concern; and

(f) not become a director of, or acquire any share or other interest in any other corporation, company or concern during his term of office:

Provided that nothing in this clause shall prevent the Managing Director from holding shares in any public company acquired by him before his appointment but he shall declare such shares to Government at the time of his appointment:

Provided further that Government may, in exceptional circumstances, where it considers necessary to do so in the public

interest, exempt by a special order any person who has been appointed or is about to be appointed as Managing Director from the application of this clause.

(3) Nothing in this section shall preclude Government from extending the term of office of a Managing Director for such period as Government may determine.

## **7. Disqualification Of Managing Director :-**

No person shall be appointed as Managing Director or Director or, as the case may be, shall continue to be a Managing Director or Director who-

- (a) is, or at any time has been convicted of any offence involving moral turpitude;
- (b) is, or at any time has been disqualified for appointment in, or dismissed from, government service;
- (c) is, or at any time has been adjudged insolvent;
- (d) is found a lunatic or becomes of unsound mind;
- (e) is not a citizen of Pakistan; or
- (f) is less than twenty-five years of age.

## **8. Removal Of Managing Director And Directors :-**

Government may, by order in writing, remove the Managing Director or a Director, as the case may be, after giving him an opportunity of being heard if he-

- (a) refuses or fails to discharge or becomes, in the opinion of Government incapable of discharging his responsibilities under this Act;
- (b) has, in the opinion of Government, abused his position as Managing Director or Director; or
- (c) has knowingly acquired or continued to hold, without the permission in writing of Government directly or indirectly, or through a partner any share or interest in any contract or employment with, or on behalf of the Corporation or in any property, which he knows is likely to benefit or has benefited him as a result of the operation of the Corporation.

## **9. Resignation By Or Removal Of Managing Director Or Directors :-**

Notwithstanding anything contained in this Act, the Managing Director or a Director, at any time before the expiry of his term and

upon three months notice, resign his office, or upon similar notice, be removed from office by Government without assigning any reason:

Provided that Government may, upon payment of three months salary and allowances in lieu of the notice, remove the Managing Director or a Director immediately without assigning any reason.

#### **10. Appointment Of Officers :-**

The Board may appoint such officers, advisers, experts, consultants and employees, as it considers necessary for the efficient performance of its functions on such terms and conditions as it may deem fit, subject to such general or special directions as Government may give from time to time in this behalf.

#### **11. Declaration Of Fidelity And Secrecy :-**

(1) Every director, adviser, officer, expert, consultant and employee of the Corporation shall, before entering upon his office, make such declaration of fidelity and secrecy as may be specified.

(2) Any director, adviser, officer, expert, consultant, or other employee of the Corporation who, in the opinion of the Government, has violated the declaration of fidelity and secrecy made by him under sub-section (1) shall be liable, after being given a reasonable opportunity of showing cause against the action proposed to be taken with respect to him, to be forthwith removed from his office or post.

#### **12. Financial, Technical And Advisory Committees :-**

The corporation may constitute such financial technical and advisory committees as may be deemed necessary for carrying out the purposes of this Act.

#### **13. Immunity Of The Corporation And Its Employees :-**

(1) Every director, adviser, officer, expert, consultant and employee of the Corporation shall be indemnified by the Corporation against all losses and expenses sustained or incurred by him in the discharge of the duties of his office save such losses and expenses as are sustained and incurred as a result of his own wilful act or default.

(2) The Managing Director shall not be personally responsible for the acts of a director, adviser, officer, expert, consultant or

employee of the Corporation which he could not have reasonably prevented by the due exercise of his powers and functions under this Act and the rules and regulations made thereunder or for any loss or expense resulting to the Corporation by reason of insufficiency or deficiency in the value or title of any property or security acquired or taken on behalf of the Corporation, by wrongful act of any persons under a liability to the Corporation, or anything done by him in good faith in execution of the duties of his office.

#### **14. Delegation Of Powers :-**

The Board may, by general or special order, delegate to the Chairman, Managing Director, directors, advisers officers, consultants or employees of the corporation any of its powers, duties or functions under this Act and the rules and regulations made thereunder subject to such conditions as it may deem fit to impose.

#### **15. Meetings Of Board :-**

(1) The meetings of the Board shall be held at such time and place as may be specified:

Provided that ninety days shall not intervene between two meetings of the Board:

Provided further that until regulations are made in this behalf, such meetings shall be held at such time and place as may be determined by the Chairman.

(2) The quorum required for transacting business at a meeting of the Board shall be three.

(3) The Chairman, the Managing Director and a Director shall each have one vote but in the event of equality of votes the Chairman shall have a casting vote.

(4) The meetings of the Board of Directors shall be presided over by the Chairman and in his absence by a Director elected for the purpose by the Directors present from amongst themselves.

(5) No act or proceedings of the Board shall be invalid merely on the ground of existence of any vacancy in the Board.

(6) The minutes of every meeting of the Board, stating among other things, the names of the Directors present, shall be drawn up and recorded in a book to be kept for the purpose and shall be signed by the person presiding over the meeting and such book shall, at all reasonable times and without payment of any fee, be open to inspection by the Directors.

## **16. Submission Of Returns, Statements, Etc. To Government**

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- (1) Government may require the Managing Director to furnish to it-
- (a) any return, statement, estimate, statistics or other information regarding any matter under the control of the Corporation;
  - (b) a report on any such matter; or
  - (c) a copy of any document in his charge;
- and the Managing Director shall comply with any such requisitions without any undue delay.
- (2) The Managing Director shall prepare and submit a quarterly report to the Board.

## **17. Power Of Board To Associate Other Persons :-**

- (1) The Board may associate with itself, in such manner, on such terms and for such period as it may deem fit, any person whose assistance or advice it may desire in carrying out any of the provisions of this Act.
- (2) A person associated under sub-section (1) for any purpose shall have the right to take part in the discussion relating to such purpose in the meetings of the Board but shall not have the right to vote, and shall not be deemed to be a Director for that or any other purpose.

### **CHAPTER 3**

#### **FUNCTIONS OF THE CORPORATION**

## **18. Business Which The Corporation Shall Transact :-**

- (1) The Corporation shall draw up schemes, with objects confined to the Province of the Punjab, for the development, surveying, prospecting, exploring, mining, processing, industrial exploitation and purchase and sale of minerals including their import and export and for the 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.
- (2) The Corporation shall, as soon as may be, proceed to give effect to any scheme approved by Government, and in particular may-
- (a) form and establish companies to manage and run the projects as are established by the Corporation:
- Provided that before sponsoring any such company the Corporation



shall obtain the approval of Government to the company's capital structure:

(b) manage on behalf of Government the shares purchased by Government in the issued capital of companies established by the Corporation;

(c) subscribe to the capital of these companies to such extent as may be necessary;

(d) act as Managing Agents of the companies established by the Corporation;

(e) give short and medium term loans or furnish guarantees to the scheduled banks for loans to the companies established by the Corporation in the manner aforesaid; and

(f) establish, manage and run the projects under its direct control.

(3) The Corporation may, if it considers expedient, sell or transfer all or any of the shares subscribed by it under sub-section (2):

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 shares.

#### CHAPTER 4

#### FINANCE

### **19. Corporation To Be Deemed A Local Authority :-**

The Corporation shall be deemed to be a local authority under the Local Authorities Loans Act, 1914, for the purposes of borrowing money under the said Act, and the making and execution of any scheme under this Act shall be deemed to be work which such authority is legally authorised to carry out.

### **20. Loans :-**

The Corporation may negotiate and obtain for the purposes of this Act, loans in local and foreign currency from the local or international financial institutions:

Provided that in the case of loans from international institutions, the Corporation shall act with the prior approval of Government.

### **21. Corporation Fund :-**

(1) There shall be a fund to be known as Punjab Mineral Development Corporation Fund, which shall vest in the Board and which shall be utilised by the Board to meet expenses in connection

with the affairs of the Corporation including salaries and other remuneration of the Chairman, Managing Director, Directors, and employees of the Corporation.

(2) The Punjab Mineral Development Corporation Fund shall consist of-

- (a) investments made by Government;
- (b) grants made by Government;
- (c) loans obtained from Government;
- (d) charges for the management of companies under the direct control of the Corporation;
- (e) managing agency commission in respect of companies managed by the Corporation;
- (f) loans obtained from the scheduled banks;
- (g) foreign loans obtained by the Corporation; and
- (h) all other sums received by the Corporation.

## **22. Custody And Investment Of Corporation Fund :-**

(1) All moneys at the credit of the Corporation shall be kept in such manner as may be prescribed.

(2) Nothing in sub-section (1) shall be deemed to preclude the Corporation from investing any such moneys which are not required for immediate expenditure in any of the securities described in section 20 of the Trust Act, 1889, in fixed deposits with a bank approved by Government or in such other manner as Government may direct.

## **23. Maintenance Of Accounts :-**

The Corporation shall maintain complete and accurate accounts in such manner as may be prescribed.

## **24. Audit Of Accounts :-**

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:

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

## **25. Reports To Be Furnished To Government :-**

(1) The Corporation shall furnish to Government as soon as

possible, after the close of each financial year an audited statement in the prescribed form in respect of the assets and liabilities of its projects and in respect of its transactions as they stand at the close of that year together with a profit and loss account for that year and a full report on the working of the Corporation during that year and copies of the said statements accounts and report shall be published in the official Gazette.

(2) The Corporation shall submit to Government its proposals for the ensuing financial year at such time and in such manner as may be prescribed.

## **26. Profits To Be Paid To Government :-**

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.

### CHAPTER 5 MISCELLANEOUS

## **27. Rules :-**

(1) Government may make rules for the purpose of giving effect to the provisions of this Act.

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

(a) the manner and form of keeping the accounts of the Corporation;

(b) recruitment of officers, advisers, consultants, experts and other employees of the Corporation;

(c) terms and conditions of service of the officers, advisers, consultants, experts and other employees of the Corporation;

(d) functions of the advisers;

(e) borrowing by the Corporation;

(f) the date on which and the form in which the annual budget statement of the Corporation shall be submitted each year;

(g) procedure for appropriation and reappropriation of moneys at the credit of the Corporation;

(h) manner and form in which and the authorities to whom returns, reports or statements shall be submitted;

(i) investment of Corporation funds and surplus moneys;

(j) sale or transfer of companies and other immovable property of the Corporation;

(k) the sale or transfer of shares under sub-section (3) of section

18; and

(l) such other matters relating to the administration and other affairs of the Corporation as the Government may think fit to prescribe by rules.

## **28. Regulations :-**

The Corporation may, with the previous sanction of Government, make regulations for all matters for which provision is necessary or expedient for carrying out the purposes of this Act and the rules.

## **29. Rules And Regulations To Be Published In The Official Gazette :-**

All rules and regulations made under this Act shall be published in the official Gazette.

## **30. Winding Up And Its Consequences :-**

(1) No provision of law relating to winding up of companies shall apply to the Corporation.

(2) When, in the opinion of Government, it is expedient that the Corporation shall cease to exist, Government may, by notification in the official Gazette, declare that the Corporation shall be dissolved from such date as may be specified in this behalf in such notification and the Corporation shall be deemed to be dissolved accordingly.

(3) As from such date-

(a) all properties, funds and dues which are vested in or realisable by the Corporation shall vest in and be realisable by an Administrator or any other officer appointed by Government in this behalf;

(b) all liabilities which are enforceable against the Corporation shall be enforceable only against the Administrator or the officer appointed by Government in this behalf;

(c) for the purposes of completing the execution of any scheme, sanctioned under this Act which has not been fully executed by the Corporation and of realising properties, funds and dues referred to in clause (a), the functions of the Corporation and the Chairman under this Act shall be discharged by the Administrator or the officer appointed by Government in this behalf;

(d) the Administrator or the officer appointed by Government shall keep separate accounts of all moneys respectively received and

expended by him under this Act until all loans raised hereunder have been repaid and until all liabilities referred to in clause (b) have been duly met; and

(e) the Administrator or the officer appointed by Government in this behalf shall have power to dispose of the properties, assets, rights, etc. of the Corporation in such manner as Government may direct from time to time.

(4) Any properties and assets left over after all the liabilities of the Corporation have been discharged shall vest in government and all liabilities left undischarged after all the properties and assets of the Corporation have been disposed of shall become the liabilities of Government.

(5) The Administrator or the officer appointed by Government in this behalf may delegate any of his power under this section to any other officer of Government or to any officer of the Corporation to such extent and on such terms and conditions as may be approved by Government.

### **31. Repeal :-**

The West Pakistan Mineral Development Corporation Act 1958 (West Pakistan Act XXVI of 1958) is hereby repealed.