



THE PAKISTAN INTERNATIONAL AIRLINES CORPORATION ACT, 1956



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SCHEDULE.
Declaration of Fidelity and Secrecy.

THE PAKISTAN INTERNATIONAL AIRLINES CORPORATION ACT, 1956.

¹ACT NO. XIX OF 1956

[18th 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 ;

²[(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.

¹ For Statement of Objects and Reasons, See Gaz. of Pak., 1956, Ext., dated the 5th April, 1956, p. 586.

² Cl. (aa) ins. by the Pakistan International Airlines Corporation (Amendment) Act, 1975 (1 of 1976), s. 2 (w.e.f. 8th January, 1976).

3. Establishment and incorporation.—(1) As soon as may be after the commencement of this Act, the ¹[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 ¹[Federal Government] as were under-taken for the purposes of the Corporation and, subject to the provisions of the ²[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 ;

³[(aa) to acquire, own, run, manage, or participate in the running or management of, any hotel or business connected therewith ;]

¹Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government” (w.e.f. 28th July, 1975).

² Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981), s. 3 and II Sch.

³ New cl. (aa) ins. by the Laws Amendment Ordinance, 1965 (39 of 1965), s. 3, (w.e.f. 4th 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 ¹[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 ¹[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 ¹[Federal Government] shall be final.

¹ Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government" (w.e.f. 28th July, 1975).

¹[6. The Board of Directors.]—(1) The Board of Directors shall consist of the following ²[eleven] Directors, namely :—

- (a) The Chairman ;
- (b) ³[Eight] Directors to be nominated by the Federal Government ; and
- (c) two Directors to be elected by shareholders other than the Federal Government.

(2) Every Director, other than the Chairman, shall—

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

7. Terms of office of Directors.—(1) An appointed Director ^{4*} * shall hold office for a term of three years unless sooner removed by the ⁵[Federal Government], and may be appointed thereafter for a further term or terms of such duration as the ⁵[Federal Government] may in appointing him therefor, determine.

(2) An elected Director ^{6*} * shall hold office for a term of three years and continue in office after the expiry of his term until his successor is elected, and shall be eligible for re-election.

¹ The original section 6 has been Subs. by the Pakistan International Airlines, Corporation (Amdt.) Act, 1975 (1 of 1976), s. 3 (w.e.f. 8th January, 1976), which have successively been amended by the Pakistan International Airlines Corporation (Amdt.) Ordinance, 1959 (19 of 1959), s. 2 (w.e.f. 2nd April, 1959), the Pakistan International Airlines Corporation (Amdt.) Ordinance, 1960 (40 of 1960), s. 2 (w.e.f. 6th October, 1960), and F.A.O., 1975, Art. 2 (w.e.f. 28th July, 1975) to read as above.

² Subs. by the Pakistan International Airlines (Amdt.) Ordinance, 1983 (4 of 1983), s. 2, for "ten".

³ Subs. *ibid.*, for "seven".

⁴ The words "other than the Managing Director" were first ins. by Ord. 19 of 1959, s. 3 and then omitted by Act 1 of 1976, s. 4.

⁵ Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government".

⁶ The original words "or a Director who is deemed to be elected" omitted by Ord. 19 of 1959, s. 3.

(3) A casual vacancy in the office of a Director shall be filled by appointment or election, as the case may be, and a Director elected to fill a vacancy shall hold office for the unexpired period of the term of his predecessor:

Provided that it shall not be necessary to elect a Director to fill a casual vacancy of an elected Director occurring within three months of the end of the term in which it occurs.

(4) Directors who are not servants of the Government shall be paid such fees for attending the meetings of the Board or of any executive committee appointed by the Board of which they are members as may be prescribed by the Board.

(5) 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.

1|8. Chairman.—(1) The Federal Government shall appoint a Chairman of the Board, who shall be the chief executive of the Corporation.

(2) The Chairman shall, unless removed earlier, hold Office for a period of three years on such terms and conditions as the Federal Government may determine; and shall, subject as aforesaid, be eligible for re-appointment.

(3) The Chairman shall exercise such powers and perform such functions as may be assigned to him by the Board or as the Federal Government may, from time to time, determine.

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

¹ Ss. 8 and 8A have been subs. by the Pakistan International Airlines Corporation (Amendment) Act, 1975 (1 of 1976), s. 5 (w.e.f. 8th January, 1976), for the original s. 8 which has successively been amended by the Pakistan International Airlines Corporation (Amendment) Ordinance, 1959 (19 of 1959), s. 4 (w.e.f. 2nd April, 1959), the Pakistan International Airlines Corporation (Amendment) Act, 1966 (17 of 1966), s. 2 (w.e.f. 18th June, 1966), and F.A.O., 1975, Art. 2 and Sch. (w.e.f. 28th July, 1975), to read as above.

8A. Managing Director.—(1) There shall be a Managing Director of the Corporation, who shall be appointed by the Federal Government after consultation with the Chairman.

(2) The Managing Director shall hold office for such period, and be subject to such terms and conditions of service, as the Federal Government may determine after consultation with the Chairman.

(3) The Managing Director shall exercise such powers and perform such functions as may be prescribed by the Board and as the Chairman may assign to him from time to time.].

9. Disqualification of Directors.—(1) No person shall be appointed or elected or shall continue to be a 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 lunatic or becomes of unsound mind ; or

(d) is a minor.

(2) No person ¹[other than the ²[Chairman]] ³[or a person specified by the Federal Government] shall be appointed or elected or shall continue to be a Director who is or who becomes a member of the salaried staff of the Corporation.

(3) No Director shall continue in office after absenting himself from three consecutive meetings of the Board without the leave of the Chairman or, in the case of the Chairman, of the ⁴[Federal Government].

¹ Ins. by the Pakistan International Airlines Corporation (Amdt.) Ordinance, 1959, (19 of 1959), s. 5.

² Subs. by the Pakistan International Airlines Corporation (Amdt.) Act 1976 (1 of 1976), "s. 6 for Managing Director".

³ Ins. by the Pakistan International Airlines (Amdt.) Ordinance, 1981 (18 of 1981), s. 2.

⁴ Subs. by F.A.O., 1975, Art. 2, and Table for "Central Government".

10. Appointment of officers, etc. ¹[(*)] The Corporation may appoint such officers, advisers and employees as it considers necessary for the efficient performance of its functions on such terms and conditions as it may see fit ²[:]

²[Provided that, if the Federal Government so directs, the Corporation shall appoint an officer, adviser or employee having such qualifications, on such terms and conditions and for performance of such functions as the Federal Government may specify.]

3* * * * *

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

Provided that a meeting may also be otherwise convened by the Chairman when he so thinks fit and shall be convened if two or more Directors so request in writing addressed to the Chairman.

Quorum. (2) To constitute a quorum at a meeting of the Board not less than ⁴[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 casting or a second vote.

(4) ⁵[In the absence of the Chairman], the Directors present shall choose one from among themselves to be the Chairman of the meeting.

¹ Sub-section (1) which was re-numbered by ord. 53 of 1984 has been omitted by the Pakistan International Airlines (Amdt.) Act, 1989 (7 of 1989), s. 2.

² Subs. and added by the Pakistan International Airlines (Amdt.) Ordinance, 1980 (24 of 1980), s. 2.

³ Sub-section (2), (3) and (4) which were Added by Ord. 53 of 1984, has been omitted by Act 7 of 1989, s. 2.

⁴ Subs. by the Pakistan International Airlines Corporation (Amdt.) Ordinance, 1959 (19 of 1959), s. 6, for "five".

⁵ Subs. and shall be deemed to have been so subs. by the Pakistan International Airlines Corporation (Amdt.) Act, 1966 (17 of 1966), s. 3, (w.e.f. 18th June 1966) for "If for any reason the Chairman is unable to be present at a meeting".

12. Head Office. The Corporation shall establish its head office in Karachi and may establish offices within Pakistan and abroad if the Board so thinks fit.

13. Deposit account. The Corporation may open an account in the National Bank of Pakistan or in any scheduled bank in Pakistan or, with the prior approval of the ¹[Federal Government], in any other bank in Pakistan. The Corporation may open an account outside Pakistan in any bank which may be a scheduled bank according to the law of the country in which the account has to be opened, or with the prior approval of the ¹[Federal Government] in any bank.

14. Investment of funds. The Corporation may invest its funds in any securities of the ¹[Federal Government] or a Provincial Government.

15. Borrowing powers. The Corporation may, with the previous sanction of the ¹[Federal Government] and on such terms and conditions as may be approved by the Government, borrow in Pakistan currency or in foreign currency.

16. Audit.—(1) The accounts of the Corporation shall be audited by not less than two auditors holding certificates under section 144 of the Companies Act, 1913 (VII of 1913), who shall be appointed by the ¹[Federal Government], in consultation with the Comptroller and Auditor-General of Pakistan hereinafter referred to as the Auditor-General, on such remuneration, to be paid by the Corporation, as the ¹[Federal Government] may fix, and the Auditor-General shall have the power to give directions to the auditors in regard to the extent and method of their audit subject to the provisions of the Companies Act, and to prescribe the forms of accounts to be maintained by the Corporation consistent with the requirements of that Act.

¹ Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government". (w.e.f 28th July, 1975).

(2) Notwithstanding the provisions of the preceding sub-section, the Auditor-General, where the ¹[Federal Government] is required under section 26 to make good any losses sustained by the Corporation shall, and in other cases may, either of his own motion or upon a request received in this behalf from the ¹[Federal Government], undertake such audit of the accounts of the Corporation at such time as may be considered necessary, and the Corporation shall, at the time of such audit, produce the account books and connected documents at such place or places as the Auditor-General may fix, and furnish such explanations and information as the Auditor-General or an officer or officers authorised by him in this behalf may ask for.

(3) Every auditor appointed under sub-section (1) shall be given a copy of the annual balance sheet of the Corporation and shall examine it together with the accounts and vouchers relating thereto, and shall have a list delivered to him 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 in relation to such accounts examine any Director or officer of the Corporation.

(4) The auditors shall report to the shareholders upon the annual balance sheet and accounts and in their report they shall state whether in their opinion the balance sheet is a full and fair balance sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, and in case they have called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(5) The Board may at any time issue directions to the auditors requiring them to report to it upon the adequacy of measures taken by the Corporation for the protection of its shareholders and creditors or upon the sufficiency of the information and other means placed at the disposal of the auditors in auditing the affairs of the Corporation.

¹ Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government" (w.e.f. 28th July, 1975).

¹[**17. Accounts.**—(1) A statement of its accounts audited by the auditors referred to in the preceding section and a report by the Directors thereon shall be furnished to the ²[Federal Government] by the Corporation ³[within seven months of the close] of every financial year.

⁴[(2) The ²[Federal Government] shall, as soon as possible, lay the statement and report, received by it under sub-section (1) before the National Assembly.]

18. General meetings.—(1) A general meeting (hereinafter referred to as the annual general meeting) shall be held at the head office of the Corporation annually within six months from the date on which the annual accounts of the Corporation are closed, and a general meeting may be convened by the Board at any other time.

(2) The shareholders present at the annual general meeting shall be entitled to discuss the annual accounts, the annual report of the Board on the working of the Corporation, and the auditors' report on the annual balance sheets and accounts.

(3) Every shareholder holding a share of Rs. 10 shall be entitled to a vote, and to an additional vote for every additional share of rupees ten ; and for this purpose two shares of rupees five each shall be reckoned to be the equivalent of a share of rupees ten.

¹ S.17 was re-numbered as sub-section (1) of that section by the Pakistan International Airlines Corporation (Amdt.) Act, 1958 (16 of 1958), s. 2 (with effect from the 18th April, 1956).

² Subs. by F.A.O., 1975, Art. 2, and Table for "Central Government" (w.e.f. 28th July, 1975).

³ Subs by the Pakistan International Airlines Corporation (Amdt.) Ordinance, 1959 (49 of 1959), s. 2, for "as soon as possible after the end" (w.e.f. 3rd September, 1959).

⁴ Sub-section (2) added by Act 16 of 1958, s. 2.

19. Declaration of fidelity and secrecy. Every 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 Schedule to this Act.

20. Indemnity of Directors.—(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 personally responsible for the acts of any other Director 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.

21. Transfer to the Corporation of the undertaking of the Orient Airways Ltd.—(1) On such date as the ¹[Federal Government] may by notification in the official Gazette appoint (hereinafter in this Act referred to as “the appointed date”), which shall be as soon as may be after the appointment of the first Board of Directors, under sub-section (1) of section 6, the entire undertaking of the said Company shall be 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, aircraft, cash balance, reserve funds, investments and book debts and all other rights and interests arising out of such property as were immediately before the appointed date in the ownership, possession or power of the said Company in relation to the undertaking whether within or without Pakistan and all books of account and documents relating thereto, and all borrowings, liabilities and obligations of whatever kind then subsisting of the said Company in relation to the undertaking.

¹ Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government” (w.e.f. 28th July, 1975).

(3) Subject to the other provisions of this Act, all contracts and working arrangements subsisting immediately before the appointed date as affecting the said Company shall, in so far as they relate to the undertaking of the said Company, cease as from the appointed date to have effect or to be enforceable against the said Company or any person who was a surety or had guaranteed the performance thereof, and shall be enforceable and of effect against or in favour of the Corporation in which the undertaking has vested as if instead of the said Company the Corporation has been named therein.

(4) Subject to the other provisions of this Act any proceeding or cause of action pending or existing immediately before the appointed date by or against the said Company in relation to its undertaking may as from the appointed date be continued or enforced by or against the Corporation in which it has vested by virtue of this Act as it might have been continued or enforced by or against the said Company if this Act had not been passed, and shall cease to be continued or be enforceable by or against the said Company or its surety or guarantor.

22. Certain existing arrangements to continue. All contracts and working arrangements made and all liabilities incurred by the ¹[Federal Government] before the appointed date in connection with or for the purposes of the Corporation shall be deemed to be made or incurred by the Corporation and have effect accordingly.

23. Winding up and dissolution of Orient Airways Ltd.—(1) The said Company shall be wound up voluntarily in accordance with the provisions of the Companies Act, 1913 (VII of 1913), relating to members voluntarily winding up:

(a) the winding up of the said Company shall commence on the appointed date without the passing by the said Company of any special or other resolution for winding up :

¹Subs. by F.A.O. 1975, Art. 2 and Table, for "Central Government" (w.e.f. 28th July, 1975).

- (b) the Directors of the said Company shall not be under any obligation to make any such statutory declaration as is required by section 207 of the Companies Act, 1913 (VII 1913); and
- (c) the winding up of the said Company shall be conducted by the Directors of the said Company in office at the appointed day who shall be deemed to be joint liquidators for the purposes of the said winding up with power to act by a majority of their number. In case of any of the joint liquidators ceasing to hold his office as joint liquidator by reason of his death, resignation or otherwise the remaining joint liquidators shall continue to function as joint liquidators until the winding up of the affairs of the said Company is completed.

(2) For the purposes of the winding up and for any other purpose necessary for enabling it to give effect to the provisions of this Act, the said Company may after the appointed date retain temporarily for its own use such offices, books, accounts and documents and the services of such officers and servants on such terms and conditions as may be agreed between the Corporation and the said Company, or failing agreement, as may be determined by the ¹[Federal Government].

24. Valuation of assets of Orient Airways Ltd. and allotment of shares to the shareholders of Orient Airways Ltd.—(1) So soon as may be after the commencement of this Act, the ¹[Federal Government] shall through such persons and in such manner as it thinks fit, cause as expeditiously as may be a valuation of the net value of the assets of the said Company (after taking into account all the liabilities of the said Company) as on the 30th September, 1953, to be completed, and the valuation so made shall on being approved by the ¹[Federal Government] be notified in the official Gazette and shall be final ; and

¹ Subs. by F.A.O., 1975, Art. 2. and Table, for "Central Government" (w.e.f 28th July, 1975).

each shareholder of the said Company shall thereupon be entitled, subject to the provisions of section 25 to receive, in exchange for his shares in the said Company, shares in the Corporation of a value which shall be in proportion to the valuation of the total net assets of the said Company, as approved by the ¹[Federal Government] under this section, to the aggregate amount subscribed on the existing shares of the said Company.

(2) No shareholder in the said Company shall be entitled to any other or further claim, in respect of the shares held by him in the said Company, in the winding up of the said Company or against the said Company or the Corporation.

25. Share capital.—(1) The authorised share capital of the Corporation shall in the first instance be five crores of rupees.

(2) The subscribed capital of the Corporation shall in the first instance be allotted and subscribed to as follows, that is to say,—

- (a) shares of the value of two crores and seventy-five lakhs of rupees or of the value of the assets resulting from the investments made by the ¹[Federal Government] for the purposes of the Corporation, as on the 30th September, 1953, and assessed on the basis agreed upon between the ¹[Federal Government] and the said Company, whichever is less, shall be allotted to the ¹[Federal Government] ;
- (b) shares of the value of half a crore of rupees shall be offered to the public for subscription ; if any shares so offered are not subscribed to by the public under this clause within six months of the date when the shares are so offered, the ¹[Federal Government] shall subscribe to them ;

¹ Subs. by F.A.O. 1975, Art. 2 and Table, for "Central Government" (w.e.f. 28th July, 1975).

(c) shares of the value of one crore of rupees or of the value of the net assets of the said Company as on 30th September 1953, as determined by the valuation made and approved under section 24, whichever is less shall be allotted to the shareholders of the said Company in consideration of the acquisition of the undertaking of the said Company as fully paid-up shares ¹[;]

²[Provided that all shares not so allotted before the commencement of the Pakistan International Airlines Corporation (Amendment) Ordinance, 1962, shall, upon such commencement, stand allotted to, and be held by, the ³[Federal Government].]

⁴[(2A) If, before the expiry of a period of three years from the commencement of the aforesaid Ordinance, any person to whom a share has not already been allotted under clause (c) of sub-section (2) applies to the Corporation for the allotment of shares to which he may be entitled under that clause, the ³[Federal Government] may, on the recommendation of the Board, and after making such enquiries as it may consider necessary, transfer to such person, out of the shares held by it under the proviso thereto the shares to which, in the opinion of the ³[Federal Government], such person is so entitled.]

(3) The Corporation may increase its capital whenever it thinks fit with the previous sanction of the ³[Federal Government], and the ³[Federal Government] may impose such conditions as it considers necessary when sanctioning any increase.

(4) The ³[Federal Government,] ⁵[whether by itself or together with any financial institution,

¹Subs. by the Pakistan International Airlines Corporation (Amdt.) Ordinance, 1962 (23 of 1962), s. 2, for full stop (w.e.f. 31st May, 1962).

²Proviso added, *ibid.*

³Subs. by F.A.O. 1975, Art. 2 and Table, for "Central Government". (w.e.f. 28th July, 1975).

⁴New Sub-section (2A) ins. by the Pakistan International Airlines Corporation (Amdt.) Ordinance, 1962 (23 of 1962), s. 2.

⁵Ins. by the Pakistan Airlines (Amdt.) Act, 1985 (15 of 1985), s. 2.

banking company, insurance Corporation or statutory Corporation owned, managed or controlled by it,] shall not at any time hold shares of value less than 51 per cent of the value of the shares issued by the Corporation.

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

26. Limited guarantee against loss. The ¹[Federal Government] shall make good any losses sustained by the Corporation during the three years next after 30th September, 1953, but not thereafter unless otherwise determined by the ¹[Federal Government].

27. 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 ¹[Federal Government] and in such manner as the ¹[Federal Government] may direct.

28. Provisions relating income-tax and Super-tax. For purposes of the ²[Income-tax Ordinance, 1979] ([XXXI of 1979](#)) 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.

29. Power of ¹[Federal Government] to make rules. The ¹[Federal Government] may make rules ³not inconsistent with this Act for the purpose of giving effect to the provisions of this Act and where the rules made under this section are inconsistent with the regulations made under the next succeeding section the rules shall prevail.

30. Power of Board to make regulations. The Board may with the previous sanction of the ¹[Federal Government], make regulations⁴not inconsistent with this Act to provide for all matters for which provision is necessary or expedient for the purpose of giving effect of the provisions of this Act.

¹ Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government" (w.e.f. 28th July, 1975.)

² Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981), s. 2 and II Sch., for "Income Tax Act, 1922".

³ For the Pakistan International Airlines Corporation Rules, 1958, Gaz. of Pak., 1958, Pt. III, pp. 41—46.

⁴ For Regulations made under this section, see Gaz. of Pak., 1958, Pt. VII, pp. 13—16.

31. Rules and regulations to be held before the legislature. All rules and regulations made under this Act shall be published in the official Gazette, and shall come into force upon such publication and shall be laid thereafter as soon as may be before the National Assembly.

32. [Repeal of Ordinance I of 1955 and XXVIII of 1955] Rep. by the Repealing and Amending Ordinance, 1965 (10 of 1965), s. 2 and Ist. Sch.

THE SCHEDULE

(*See Section 19*)

DECLARATION OF FIDELITY AND SECRECY

I, Hereby declare that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as a Director, officer, employee or auditor (as the case may be) of the Pakistan International Airlines 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.

Signed before me

..... Signature

..... Signature

Dated..... Signature

