



# THE HYDROGENATED VEGETABLE OIL INDUSTRY (CONTROL AND DEVELOPMENT) ACT, 1973



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**THE SCHEDULE.**

**THE HYDROGENATED VEGETABLE OIL INDUSTRY (CONTROL AND DEVELOPMENT) ACT, 1973.**

**<sup>1</sup>ACT NO. LXV OF 1973**

[15th September 1973]

**An Act to regulate the operation and future development of the hydrogenated vegetable oil industry.**

WHEREAS it is expedient to make provision to regulate the operation and future development of the hydrogenated vegetable oil industry, so as to maintain at reasonable prices, supplies essential to the life of the community while safeguarding the interests of the small investors in the industry and to provide for matters connected therewith or incidental thereto;

AND WHEREAS paragraph (b) of clause (1) of Article 253 of the Constitution provides that Parliament may by law declare that any trade, business, industry or service specified in such law shall be carried on or owned, to the exclusion, complete or partial, of other persons, by the Federal Government or a Provincial Government or by a corporation controlled by any such Government;

It is hereby enacted as follows :—

**1. Short title, extent and commencement.** —(1) This Act may be called the Hydrogenated Vegetable Oil Industry (Control and Development) Act, 1973.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once and shall be deemed to have taken effect on the second day of September, 1973.

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

- (a) "bank rate" means the bank rate determined and made public under the provisions of the State Bank of Pakistan Act, 1956 ([XXXIII of 1956](#));
- (c) "Board" means a Board of Management set up under section 7;
- (d) "corporation" means a corporation wholly owned by Government to which an establishment is transferred under section 13;
- (d) "creditor" means any person to whom a managed establishment owes any amount of money;
- (e) "debtor" means a person who owes any amount of money to a managed establishment;

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<sup>1</sup>For Statement of Objects and Reasons, see Gaz. of P., 1973., Ext., Pt. III, p. 1514.

- (f) "establishment" means any company, firm, concern, institution or enterprise the whole or any Part of the undertaking of which pertains to the industry and includes any related office shop, factory, godown, yard, stocks and stores wherever that may be;
- (g) "industry" means the hydrogenated vegetable oil industry;
- (h) "Managing Director" in relation to an establishment means the Managing Director appointed under section 6 in respect of such establishment;
- (i) "managed establishment" means an establishment in respect of which a Managing Director has been appointed;
- (j) "previous management" in relation to an establishment means the person, board of directors or other body or authority in whom or in which the management of the establishment vested immediately before the appointment of a Managing Director in respect thereof;
- (k) "shareholder" means a shareholder in the share capital of an establishment, and includes a stockholder;
- (l) "person" includes an individual, a Hindu undivided family, a partnership firm and an association of person or a body of individuals, Government of a Province and a local authority;
- (m) 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. *[Declaration.] Omitted by the Hydrogenated Vegetable Oil Industry (Control and Development) (Amdt.) Ordinance, 1979 (IV of 1979), s. 2.*

**4. Act to override other laws.** The provisions of this Act shall have effect notwithstanding anything contained in the Companies Act, 1913, or the Companies (Managing Agency and Election of Directors) Order, 1972 (P.O. No. 2 of 1972), or any other law for the time being in force or in any agreement, contract, memorandum or articles of association of a company.

**5. Power to take over management or acquire shares of business of an establishment.** —(1) The Federal Government may, by an order,—

- (a) take over the management of any establishment and, as from the date of such order, the previous management shall stand divested of such management;
- (b) in the case of an establishment which is a company or an establishment owned by a company—
  - (i) acquire the whole or a portion of the shares from all or any of the shareholders of such company and, as from the date of such order, the shares so acquired shall vest in the Federal Government, or
  - (ii) acquire the whole or a portion of the proprietary interests of such company in such establishment and, as from the date of such order, the interests so acquired shall vest in the Federal Government; and

- (c) in the case of an establishment owned by a person acquire the whole or a portion of the proprietary interests of such person, and as from the date of the order the interests so acquired shall vest in the Federal Government:

Provided that no order shall be made under this section for the acquisition of the shares held in an establishment by an institution owned or controlled by Federal Government including the National Investment Trust and the Investment Corporation of Pakistan or the shares held by a foreign investor:

Provided further in the case of an establishment which is a company or an establishment owned by a company, the Federal Government may, by notification in the official Gazette, exempt from acquisition shareholdings of shareholders up to such maximum amount, not exceeding in the aggregate forty-nine per cent of the paid-up share capital of the company, as may be specified in the notification.

<sup>1</sup>[*Explanation.*—In this sub-section and section 31 "foreign investor means a person, other than a citizen of Pakistan, who has made investment in Pakistan and to whom—

- (a) the Federal Government has given an assurance that he will have the right to repatriate from Pakistan the amount of his investment or the income arising therefrom or both such amount and such income; or
- (b) the Federal Government has not given such assurance, but whom it has assured that, in the event of compulsory acquisition of the shares held in an establishment by the shareholders, he will not be treated less favourably than an investor to whom such assurance had been given.].

(2) Where the Federal Government makes an order under sub-section (1) in respect of the shares of any company, no dealings or business relating to such shares shall be transacted on any stock exchange and no transfer of such shares shall be registered in the share register of the company for a period of ninety days from the date of such order or such shorter period as may be notified by Government.

<sup>2</sup>[**5A. Transfer of shares and proprietary interests, etc.** —(1) If the Federal Government considers it necessary in the public interest to transfer the shares or proprietary interests in respect of a managed establishment acquired by it under section 5, the Federal Government may, through a public advertisement, invite bids for the transfer of the shares or proprietary interests.

(2) On receipt of bids in pursuance of an invitation under sub-section (1), the Federal Government shall offer the transfer of the shares or proprietary interests to the previous management of such establishment, on the highest bid so received and on such terms and conditions as it may deem fit:

Provided that it shall not be necessary to make such an offer to the previous management in case the highest bid has been made by the management group of the employees of such establishment.

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<sup>1</sup> Added by the Hydrogenated Vegetable Oil Industry, (Control and Development) (Amdt.) Ordinance, 1979 (4 of 1979), s. 3.

<sup>2</sup> Ins. by the Hydrogenated Vegetable Oil Industry (Control and Development) (Second Amdt) Act, 1992 (11 of 1992), s. 2, which was previously ins. by Act 20 of 1991, s. 3.