

## SHORT TITLES

OF

### THE CENTRAL ACTS AND ORDINANCES

*(For the period 15th August, 1947 to 31st December, 1947)*

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#### ACTS

*(No Act was enacted during the period 15th August, 1947 to 31st December, 1947)*

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#### ORDINANCES

- I The Banking Companies (Pakistan) Ordinance, 1947.
- II The Pakistan Notional Guard Ordinance, 1947.
- III The Riot and Civil Commotion Risks Insurance Ordinance, 1947.
- IV The Transfer of Property (Pakistan) Ordinance, 1947.
- V The Pakistan Banking (Prevention of Default and Evasion of Liabilities) Ordinance, 1947.
- VI The Pakistan Banking (Prevention of Default and Evasion of Liabilities) Amendment Ordinance, 1947.

# THE BANKING COMPANIES (PAKISTAN) ORDINANCE, 1947.

ORDINANCE No. I OF 1947

[2nd October, 1947]

**An Ordinance to enable temporary relief to be afforded to certain banking companies in the territories of Pakistan.**

WHEREAS an emergency has arisen which makes it necessary to make provision for affording temporary relief to certain banking companies in the territories of Pakistan.

26 Geo. 5, c. 2. NOW, THEREFORE, in exercise of the powers conferred by section 42 of the Government of India Act, 1935, as adapted by the Pakistan (Provisional Constitution) Order, 1947, the Governor-General is pleased to make and promulgate the following Ordinance :—

1.—(1) This Ordinance may be called the Banking Companies (Pakistan) Ordinance, 1947.

Short title,  
extent,  
application  
and com-  
mencement.

(2) It extends to all the territories of Pakistan.

(3) It shall come into force at once.

2. In this Ordinance—

Interpreta-  
tion.

VII of  
1913.

(a) "banking company" has the meaning assigned to it in section 277F of the Indian Companies Act, 1913; and shall include any branch operating in Pakistan, of a banking company incorporated in or outside Pakistan;

(b) "initial order" means an order first made under section 3 of this Ordinance in respect of a banking company;

(c) "prescribed" means prescribed by rules made under section 8.

3. On application in writing made to it in this behalf by a banking company to which this Ordinance applies, the Government of Pakistan, if it considers it to be in the public interest so to do, may, by notification in the official Gazette, make an order, which shall be binding on all Courts, staying the commencement or continuance of all actions and proceedings against the banking company for a period of three months, and may, by a like order which shall be similarly binding, extend the aforesaid period, for further periods not exceeding three months at a time.

Power to  
order mor-  
atorium in  
certain cases.

4. While an initial order is in force, the banking company to which it relates—

Obligation,  
of banking  
companies

(a) shall, on demand duly made, pay to any depositor at each branch in which the depositor has a current

during mor-  
atorium.



or deposit account or both, such amounts not exceeding in any month ten *per centum* of the total unencumbered amount in the depositor's current or deposit account or both with the branch on the date of the notification of the order, or two hundred and fifty rupees, whichever is less, and may make, at a branch situated within the territories of Pakistan, payments similarly limited in amount to any person making a demand therefor at the branch, if he satisfies the banking company both that he has a current or deposit account with a branch of the banking company situated outside the territories of Pakistan and as to the amount thereof ;

- (b) shall not accept any deposits, whether in current or deposit account ;
- (c) shall not, save as provided in clause (a) and save for the purpose of meeting its normal running expenses, dispose of any of its assets situated in Pakistan on the date of this Ordinance.

Explanation. For the purposes of this section "month" means a period of thirty days, the first such period commencing on the date of the notification of the order under section 3 of this Ordinance.

Accounts and returns. 5. Every banking company in respect of which an order has been made under section 3 shall, while the order remains in force, maintain such accounts, and submit to the Reserve Bank of India and the Government of Pakistan such true returns at such intervals as may be prescribed.

Penalties. 6. If any provision of this Ordinance is contravened or if any default is made in complying with any requirement thereof, every director and other officer of the banking company who is knowingly a party to the contravention or default shall—

- (a) Where the contravention is a contravention of the provisions of clause (c) of section 4, or is in respect of the submission of a return which is incorrect in any material particular, be punishable with imprisonment for a term which may extend to three years and shall also be liable to fine ;
- (b) in any other case, be punishable with fine not exceeding five hundred rupees, or where the contravention or default is a continuing one, with a further fine not exceeding fifty rupees for every day during which it continues.

Cognizance of offences. 7. No court shall take cognizance of an offence punishable under section 6 herein except upon complaint in writing made by a person authorised in this behalf by the Government of Pakistan or the Reserve Bank of India and no court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any such offence.

8. The Government of Pakistan may, by notification in the official Gazette, make rules for carrying out the purposes of this Ordinance. <sup>Power to make rules.</sup>

9. On the expiry of this Ordinance, section 6 of the <sup>Effect of</sup> General Clauses Act, 1897, shall apply as if this Ordinance were <sup>expiry of</sup> an enactment then repealed by a Central Act. <sup>Ordinance.</sup>

M. A. JINNAH,  
*Governor-General.*



# THE PAKISTAN NATIONAL GUARD ORDINANCE, 1947

ORDINANCE NO. II OF 1947

[2nd November, 1947]

## An Ordinance to enable formation of a National Guard in Pakistan

WHEREAS an emergency has arisen in Pakistan making it necessary to form a voluntary organization for supplementing the armed forces of Pakistan,

NOW, THEREFORE, in exercise of the powers conferred under section 42 of the Government of India Act, 1935, as adapted by the Pakistan (Provisional Constitution) Order, 1947, the Governor-General of Pakistan is pleased to make and promulgate the following Ordinance, namely:—

1. This Ordinance may be called the Pakistan National Guard Ordinance, 1947.

2. It extends to all the territories of Pakistan.

3. It shall come into force at once.

4.—(a) The Pakistan National Guard shall be raised on a voluntary basis, and shall be controlled by, and equipped and trained under the orders of the Commander-in-Chief, Pakistan Army.

(b) A Director of the Pakistan National Guard shall be appointed by the Government of Pakistan and the Commander-in-Chief may delegate to him such of his powers under sub-clause (a) above as he may deem fit.

5.—(a) The Government of Pakistan may by notification in the official Gazette order the embodiment into the Pakistan Army of the Pakistan National Guard in their entirety or such portion thereof as it may determine for a specific period or periods which it may extend from time to time.

(b) When so embodied they shall be subject to the Indian Army Act as adapted in Pakistan.

6.—(a) The Government of Pakistan may frame rules generally to carry out the purposes of this Ordinance and in particular to regulate the following:—

- (i) Recruitment, training and discharge of the members of the Pakistan National Guard.
- (ii) Their organization and discipline.
- (iii) The terms and conditions of their engagement.
- (iv) Their rates of pay and allowances in the event of embodiment in the Pakistan Army.
- (v) Any other matter necessary for the maintenance of the Pakistan National Guard organization.

(b) The Government of Pakistan may delegate all or any of its powers in sub-clause (a) of this clause to the Commander-in-Chief, Pakistan Army, or to an officer nominated by him.

M. A. JINNAH,  
Governor-General.



# THE RIOT AND CIVIL COMMOTION RISKS INSURANCE ORDINANCE, 1947.

ORDINANCE No. III OF 1947

[7th November, 1947]

## An Ordinance to provide for the insurance of certain property against Riot and Civil Commotion Risks.

WHEREAS an emergency has arisen which makes it necessary to provide for the insurance of certain property against Riot and Civil Commotion Risks;

26 Geo. 5, c. 2. Now, THEREFORE, in exercise of the powers conferred by section 42 of the Government of India Act, 1935, the Governor-General is pleased to make and promulgate the following Ordinance, namely:—

1.—(1) This Ordinance may be called the Riot and Civil Commotion Risks Insurance Ordinance, 1947. Short title, extent and applications.

(2) It extends to the whole of the Dominion of Pakistan.

(3) The Governor-General may, by notification in the official Gazette, apply it to the whole of the Dominion or any part thereof from such date and in such manner as may be specified in the said notification.

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

- XXV of 1934.
- (1) "factory" means a factory as defined in clause (j) of section 2 of the Factories Act, 1934;
  - (2) "factory buildings" includes all buildings comprised in the factory, and such other buildings (including residential buildings for staff and workmen, hospitals and welfare centres) within a radius of two miles from the main factory as are in the same ownership or occupation as the factory and are used for the purposes of the factory;
  - (3) "the Fund" means the Riot and Civil Commotion Insurance Fund constituted under section II; hereafter mentioned.
  - (4) "Riot and Civil Commotion Risks" means the risks of—loss or damage (including loss or damage due to fire or explosion) directly caused by persons taking part in riots or civil commotions or by strikers or locked out workers or by persons of malicious intent acting on behalf of or in connection with any political organization; also loss or damage (including loss or damage due to fire or explosion) directly caused by the action of any lawfully constituted Authority in connection with the foregoing perils only:

Provided always that the following shall be expressly excluded from the scope of this section:—

- (i) Loss or damage caused by any of the perils hereby insured against, if such loss or damage either in

origin or extent is directly or indirectly, proximately or remotely, occasioned by or contributed to by any of the following occurrences, or, either in origin or extent directly or indirectly, proximately or remotely, arises out of or in connection with any of such occurrences, namely:

War, invasion, act of foreign enemy, hostilities or war like operations, (whether war be declared or not);

- (ii) Loss or damage occasioned by cessation of work;
- (iii) Consequential loss or damage of any kind or description whatsoever including delay, deterioration and loss of market.

- (5) "prescribed" means prescribed by rules made by the Dominion Government under this Ordinance.

Properties  
insurable  
under this  
Ordinance.

3.—(1) Subject to the provisions of this Ordinance every factory, factory buildings and other moveable or immoveable property described in the Schedule shall be deemed to be the property insurable under this Ordinance.

(2) The Dominion Government may, by notification in the official Gazette, from time to time amend the Schedule by adding thereto or omitting therefrom any kind of property.

Ownership.

4. Save in so far as is otherwise expressly provided in this Ordinance, any property shall, subject to the provisions of this section, be deemed for the purposes of this Ordinance, to be owned—

(a) if the ownership of the property is for the time being vested in a person in relation to whom the property is insurable under this Ordinance, by that person;

(b) if the ownership of the property is not so vested, by any person in relation to whom the property is insurable under this Ordinance and who is for the time being entitled either unconditionally or conditionally, to have the ownership of the property vested in him:

Provided that where—

- (i) any property would, under the foregoing provisions of this sub-section, be deemed to be owned by a person in whom the property therein is vested otherwise than in the course of a business carried on by him in the Province, or who is entitled to have the ownership of the property vested in him otherwise than in the course of such a business, and
- (ii) any person carrying on business in the Province is for the time being entitled to sell the property as agent, the property shall be deemed to be owned by the last mentioned person.

Insurance  
Scheme.

5.—(1) The Dominion Government may, by notification in the official Gazette, put into operation a scheme (in this Ordinance referred to as the Riot and Civil Commotion Insurance Scheme) whereby the Dominion Government undertakes, in



relation to a person owning property in a Province the liabilities of insuring such persons against Riot and Civil Commotion risks in respect of property insurable under this Ordinance which is from time to time owned by such persons.

(2) The Riot and Civil Commotion Insurance Scheme may also extend—

(a) to the undertaking by the Dominion Government, in relation to any person carrying on business in any Province, of the liability of insuring such a person against Riot and Civil Commotion risks in respect of property insurable under this Ordinance which is not owned by him but in which he has an interest arising in the course of that business;

(b) without prejudice to the provisions of clause (a) to the undertaking by the Dominion Government, in relation to a person carrying on any business in any Province, of the liability of insuring such a person against Riot and Civil Commotion risks in respect of—

(i) any property situated in any Province which is in his possession, otherwise than under a hire purchase agreement, for the purposes of that business;

(ii) any property situated in any Province which is subject to a mortgage in his favour held by him in the course of that business, being in either case property which is not owned by him but which is insurable under this Ordinance in relation to the person to whom it is owned;

(c) to the undertaking by the Dominion Government in relation to a person in any Province of the liability of insuring such person against Riot and Civil Commotion risks in respect of any property situated in any Province which, having been sold in any Province for export from the Province is in his possession for the purpose of such export and is property which was prior to such sale insurable under this Ordinance in relation to the person by <sup>1</sup>[which] it was then owned.

(3) The Riot and Civil Commotion Insurance Scheme shall be such as to secure—

(a) that any liability of the Dominion Government as insurer under the scheme is determined by a policy of insurance issued in the prescribed form and in respect of a period not exceeding the period for the time being prescribed in this behalf, by a person acting on behalf of the Dominion Government;

(b) that any premium under a policy so issued is payable at such rate as may be prescribed; and

(c) that the amount of any one premium payable under a policy so issued is not less than such sum as may be prescribed in this behalf.

(4) Different forms of policies, different rates of premium and different periods may be prescribed under sub-section (3) in relation to different descriptions of property and according

<sup>1</sup> Sic. Should read "whom".



to the place at which and the circumstances in which the property insured is situated.

Premium  
rate.

6. Where the rate of premium prescribed for the purposes of clause (b) of sub-section (3) of section 5 in respect of the period fixed for the purposes of clause (a) of that sub-section is altered, the rate as so altered shall be the rate applicable to all policies under which premiums are payable in respect of that period, notwithstanding that policies may have been issued on payment of premium at the rate in force before the alteration; and any policy issued on payment of premium at the rate in force before the alteration shall, when the rate has been increased by the alteration, cease to be valid on such date as may be fixed in this behalf by the Dominion Government unless before such date any deficiency in the amount paid as premium is made good by the policy holder.

Employment  
of agents by  
Dominion  
Government.

7. The Dominion Government may employ or authorise the employment of any person or firm as prescribed in order to act as its agent for any of the purposes of this Ordinance and may pay to the persons or firms so employed such remuneration as the Dominion Government thinks fit.

Compulsory  
insurance.

8.—(1) After such date as may be specified in this behalf by the Dominion Government by notification in the official Gazette, any person owning any property in any Province insurable under this Ordinance shall have a valid policy of Insurance against Riot and Civil Commotion Risk issued in accordance with the Riot and Civil Commotion Insurance Scheme, in respect of such property for a sum not less than the value thereof for the time being.

(2) Whoever contravenes the provisions of sub-section (1) shall be punishable with fine which may extend to one thousand rupees and with a further fine which may extend to five hundred rupees for every day after the first day on which the contravention continues.

Recovery of  
premiums  
unpaid.

9.—(1) Without prejudice to the provisions of sub-section (2) of section 8 where any person has failed to insure as, or to the full amount required by this Ordinance and has thereby evaded the payment by way of premium of any money which he would have had to pay but for such failure, an officer authorised in this behalf by the Dominion Government may **determine the amount, payment of which has been evaded.** The amount so determined shall be payable by such person and shall be recoverable from him as an arrear of land revenue and shall be a first charge on the property in respect of which the default was made.

(2) A person against whom a determination is made under sub-section (1) may, within the prescribed period appeal against such determination to the Dominion Government whose decision shall be final.

Restriction  
on carrying  
on certain  
insurance  
business.

10.—(1) After the date on which the Riot and Civil Commotion Insurance Scheme is put into operation, no person, except a person authorised by the Dominion Government as their



agent to issue policies in pursuance of that Scheme shall carry on the business of insuring persons owning property in the Dominion against Riot and Civil Commotion Risks in respect of property insurable under this Ordinance which is from time to time owned by such persons.

(2) Whoever contravenes the provisions of sub-section (1) shall be punishable with fine which may extend to five thousand rupees and with a further fine which may extend to one thousand rupees for every day after the first day on which the contravention continues.

11.—(1) The Dominion Government shall establish or cause to be established a Fund in a Province for the purposes of this Ordinance, to be called the Riot and Civil Commotion Insurance Fund into which shall be paid all sums received by the Dominion Government by way of Insurance premiums under the Riot and Civil Commotion Insurance Scheme or by way of payments made on composition of offences under section 15, or ordered to be paid under section 545 of the Code of Criminal Procedure, 1898, in any prosecution under this Ordinance, and out of which shall be paid all sums required for the discharged by the Dominion Government of any of its liabilities under the Riot and Civil Commotion Insurance Scheme, or for the payment by the Dominion Government of the remuneration and expenses of agents employed for the purposes of that Scheme.

Riot and  
Civil Com-  
motion  
Insurance  
Fund.

V of  
1898.

(2) If, at any time, when a payment is to be made out of the Fund, the sum standing to the credit of the Fund is less than the sum required for the making of that payment, an amount equal to the deficiency shall be paid into the Fund as an advance out of general revenues.

(3) If, at any time, the amount standing to the credit of the Fund exceeds the sum which, in the opinion of the Dominion Government, is likely to be required for the making of payments out of the Fund, the excess shall be paid into general revenues.

(4) The Dominion Government shall prepare in such form and manner as may be prescribed, and shall publish either annually or at such shorter intervals as may be prescribed, an account of all sums received into and paid out of the Fund.

12.—(1) Any person authorised in this behalf by the Dominion Government may, for the purpose of ascertaining whether or not the requirements of this Ordinance have been complied with—

Power of  
Dominion  
Government  
to obtain  
information.

- (a) require any person carrying on in any part of the Dominion the business of fire insurance or an owner of property to submit to him such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary, or
- (b) at any reasonable time enter any premises occupied by any person carrying on in any part of the Dominion any such business or by such owner of the property, and inspect the premises and require any



person found therein who is for the time being in charge thereof to produce to him and allow him to examine such accounts, books or other documents as may relate to the business carried on in the premises or to furnish to him such information as he may reasonably think necessary.

(2) Whoever wilfully obstructs any person in the exercise of his powers under this section or fails without reasonable excuse to comply with a request made thereunder shall, in respect of each occasion on which any such obstruction or failure takes place, be punishable with fine which may extend to five hundred rupees.

(3) Whoever in purporting to comply with his obligations under this section, knowingly or recklessly makes a statement false in a material particular, shall be punishable with fine which may extend to one thousand rupees.

Refund of  
premiums in  
certain cases.

13.—(1) Where property of any description has been insured by an owner for any period, and before that period has elapsed property of that description has ceased, by virtue of a notification under sub-section (2) of section 3, to be property insurable under this Ordinance, the person who has insured such property shall be entitled to a proportionate refund of premium.

(2) In any other case the Dominion Government may, at its discretion, order a refund to be made of any sum paid or purporting to have been paid as premium in respect of any policy issued or purporting to have been issued under this Ordinance.

(3) On and after the eighth day of November, 1947, no suit shall be maintainable in any civil court against the Dominion Government or a person acting as agent of the Dominion Government under section 7 for the refund of money paid or purporting to have been paid as premium in respect of any policy issued or purporting to have been issued under this Ordinance.

Limitation  
on Prosecu-  
tion.

14. No prosecution for any offence punishable under this Ordinance shall be instituted against any person except by or with the consent of the Dominion Government or any authority on whom powers are conferred in this behalf by the Dominion Government.

Composition  
of offences.

15. Any offence punishable under sub-section (2) of section 8 may, either before or after the institution of the prosecution, be compounded by the Dominion Government or by any authority on whom powers are conferred in this behalf by the Dominion Government, on payment for credit to the Fund of such sum as the Dominion Government or such authority, as the case may be, thinks fit.

Bar of legal  
proceedings.

16. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Ordinance.



17.—(1) The Dominion Government may, by notification <sup>Power to</sup> in the official Gazette, make rules to carry into effect the pro- <sup>make rules,</sup> visions of this Ordinance.

(2) Without prejudice to the generality of the foregoing power, such rules may prescribe—

- (a) the forms of the policies of insurance referred to in sub-section (2) of section 6, the maximum period in respect of which such policies shall be issued, the rates at which premiums on such policies shall be payable and the minimum amount which shall be payable as any one premium on such policies;
- (b) persons or firms to be prescribed for the purposes of section 7;
- (c) the procedure in making determination and in presenting appeals from determination made under section 9;
- (d) the form of and the manner of preparing the account referred to in sub-section (4) of section 11 and the intervals at which such account shall be published.

#### — SCHEDULE

- (1) Cotton Ginning Factories including the factory buildings.
- (2) Cotton Pressing Factories including the factory buildings.
- (3) Cotton in (1) and (2) above.

M. A. JINNAH,  
Governor-General.

# THE TRANSFER OF PROPERTY (PAKISTAN) ORDINANCE, 1947.

ORDINANCE No. IV OF 1947

[10th December, 1947]

**An Ordinance, to provide for the payment of taxes before the recognition of transfer of property.**

WHEREAS an emergency has arisen which makes it necessary to provide for the payment of taxes before the recognition of transfer of property.

NOW, THEREFORE, in exercise of the powers conferred by section 42 of the Government of India Act, 1935, as adapted by the Pakistan (Provisional Constitution) Order, 1947, the Governor-General is pleased to make and promulgate the following Ordinance :—

1.—(1) This Ordinance may be called the Transfer of Property (Pakistan) Ordinance, 1947.

Short title,  
extent,  
application  
and com-  
mencement.

(2) It extends to all the Provinces of Pakistan.

(3) It shall come into force at once in the Provinces of Sind, West Punjab, North-West Frontier and Baluchistan, and in other areas as and when the Government of Pakistan may direct.

2. Notwithstanding any other law for the time being in force the provisions of this Ordinance shall have effect throughout the areas to which it applies.

Effect of  
provisions  
inconsistent  
with other  
laws.

3. No registering Officer, Revenue Officer, Custodian or other officer appointed to deal with property shall register any document, relating to property other than agricultural land, which is required to be registered under the provisions of clause (a), (b), (c) or (e) of sub-section (1) of section 17 of the Indian Registration Act, 1908 unless it is certified by an Inspecting Assistant Commissioner of Income-tax, in respect of every person whose right, title or interest in the property is or will be transferred, assigned, limited or extinguished under the terms of the document, either that such person is not liable to taxation under the Income-tax Act, 1922, the Excess Profits Tax Act, 1940 or the Business Profits Tax Act, 1947 or that he has either paid or made satisfactory provision for the payment of all existing or anticipated liabilities under any of the said Acts.

Registration  
of docu-  
ments.

4. If any right, title or interest in any property whether moveable or immovable, other than agricultural land, is or has been transferred, assigned, limited or extinguished after the 14th day of August, 1947, an Income-tax Officer may at any time issue a notice to all or any of the parties to the transaction requiring them to produce within one month the certificate prescribed by

Recovery  
Proceedings.



section 3 ; and if such certificate is not produced he may forward a statement to the Collector showing the existing and anticipated tax liabilities of each or any of the said parties. The Collector shall then proceed to recover the total amount shown in the statement as if it were an arrear of land revenue, and for the purpose of the recovery proceedings he may treat the said property as if it belonged to all or any of the persons named in the statement.

Bar of suits.

5. No suit, prosecution or other legal proceeding shall lie against the Dominion Government, any Provincial Government, any Income-tax Officer or any other person or authority acting under his directions or in pursuance of any claim shown in the statement forwarded to the Collector under the preceding section ; for anything which is in good faith done or intended to be done under this Ordinance.

M. A. JINNAH,  
*Governor-General.*

## ORDINANCE No. V of 1947

AN

### ORDINANCE

*to provide for prevention of loss to people in Pakistan from the withholding of payments of cheques and delivery of things held in safe custody by banks acting under directions issued by a Government or authority outside Pakistan.*

WHEREAS an emergency has arisen which requires measures to be taken to prevent banking concerns in Pakistan from making default in meeting their commitments and liabilities under external pressure.

NOW, THEREFORE, in exercise of the powers conferred by section 42 of the Government of India Act, 1935, as adapted by the Pakistan (Provisional Constitution) Order 1947, the Governor-General of Pakistan is pleased to make and promulgate the following Ordinance :—

1. (1) This Ordinance may be called the Pakistan Banking (Prevention of Default and Evasion of Liabilities) Ordinance, 1947.

Short title,  
extent and  
commence-  
ment.

(2) It extends to the whole of Pakistan and its Provinces, including Baluchistan.

(3) It shall come into force at once.

2. In this Ordinance—

Definitions.

(a) "Bank" means any banking company as defined in section 277F of the Indian Companies Act, 1913 (VII of 1913) and includes any branch of a bank.

(b) "Manager" includes the term Agent or Sub-Agent and any other officer having charge of any branch or agency of any bank in Pakistan.

(c) "Central Government" means the Government of Pakistan.

3. No. Bank operating in Pakistan shall act on the instructions of a Government or authority other than the Government of Pakistan issued to it direct or through its Head Office outside Pakistan, in regard to stopping of payment of cheques, delivery of securities or things held in safe custody, or in regard to any other banking business in Pakistan, without obtaining the prior approval in writing of an Officer appointed by the Central Government in this behalf.

No bank  
to stop  
payment of  
cheques or  
delivery of  
deposits  
under ins-  
tructions  
from any  
Government  
authority  
outside  
Pakistan.

4. (1) On receiving a complaint that a Bank is wrongfully withholding the payment of a cheque or the delivery of any thing held in deposit or safe custody, the Central Government may by order require the Bank to explain the grounds on which it has withheld or delayed payment of the cheque or delivery of the thing held in deposit or safe custody and to furnish by a date to be specified a true statement of all the assets at the credit of or held in safe custody on behalf of the person concerned.

Procedure  
for demand-  
ing explana-  
tion and  
search.



(2) If the Bank refuses or fails to comply with an order made under sub-section (1) of this Section by the date specified or if the Central Government is not satisfied with the correctness or completeness of the statement submitted thereunder, the Central Government may authorise any Officer of the Central Government or of a Provincial Government to inspect the books, accounts and other documents of the Bank and to conduct a search of its vaults, coffers and premises which the officer may consider necessary to inspect or search in order to obtain the information required or to verify the statement furnished.

(3) An Officer authorised in this behalf may enter any premises at any time and if necessary break open any door or lock for the purpose of carrying out the order made under this section.

Order to prohibit removal of assets outside Pakistan.

5. While ordering a Bank to furnish a statement under Section 4, the Central Government may order the Bank not to remove out of the Dominion of Pakistan any thing held in safe custody on behalf of the person referred to in sub-section (1) of Section 4 or any documents related thereto.

Seizure of assets.

6. (1) If the Central Government after considering such explanation as the Bank concerned may have given, the information secured by any action taken under sub-sections 2 and 3 of Section 4 and such further enquiry as it may deem necessary, is satisfied that the Bank has wrongfully withheld payment of a cheque wholly or partially or the delivery of any thing held in deposit or safe custody, the Central Government may order the Bank to make payment of the cheque to such extent as in the opinion of the Central Government payment has been wrongfully withheld, or make delivery of the thing held in deposit or safe custody as the case may be, by a specified date to the person named in the order.

(2) If the Bank fails to comply with the order made under sub-section (1) the Central Government may as the case may be order—

- (a) the seizing of the thing held in safe custody and its transfer to the person named in the order,
- (b) the seizing of assets of the Bank sufficient to cover the amount of the Bank's liability as determined under sub-section (1) and the transfer to the person named in the order under sub-section (1) of such part of these assets or so much of their value on realization as will discharge the Bank's liability to him.

(3) If after discharging the liability of the Bank referred to in sub-section (2) above there is a surplus it shall be returned to the Bank after deducting such incidental expenses as may have been incurred by the Central Government.

Service of Orders under Sections 4, 5 or 6.

7. An order under Sections 4, 5 or 6 may be served on the Manager by delivery at the office of the Bank. If service of the order is refused or any attempt is made to avoid it, the order may be affixed on the premises of the Bank in the presence of two witnesses and the order shall then be deemed to have been duly served.

## 8. If the Manager of a Bank :

Penalties.

- (a) fails to comply with an order to furnish a statement under Section 4 or if he furnishes a statement which he knows to be false in any material particular ; or
- (b) refuses to allow, or fails to afford, reasonable facilities to an Officer authorised under Section or
- (c) having been served with or having knowledge or information of an order under Section 5 conceals, removes or allows to be removed out of the Dominion of Pakistan in contravention of that order anything held in deposit or safe custody ; or
- (d) fails to make payment or effect delivery by the specified date in compliance with an order issued under Section 6 ;

he shall be punishable with imprisonment which may extend to three years or with fine or with both.

9. On sufficient cause being shown the Central Government may withdraw or amend all or any of the orders made under Sections 5 and 6 of this Ordinance.

Withdrawal  
or amend-  
ment of  
Orders  
under  
Sections 5 or  
6.

10. No suit, prosecution or other legal proceedings shall lie against any person or against the Central Government for anything done or in good faith intended to be done under this Ordinance.

Bar of Legal  
proceedings.

11. The Central Government may make rules for the purpose of giving effect to this Ordinance.

Powers to  
make rules.

M. A. JINNAH,  
*Governor-General.*



## ORDINANCE No. VI of 1947.

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### ORDINANCE

to amend the Pakistan Banking (Prevention of Default and Evasion of Liabilities) Ordinance, 1947.

In exercise of the powers conferred by Section 42 of the Government of India Act, 1935, as adapted by the Pakistan (Provisional Constitution) Order 1947, the Governor-General of Pakistan is pleased to make and promulgate the following Ordinance :—

1. (1) This Ordinance may be called the Pakistan Banking (Prevention of Default and Evasion of Liabilities) Amendment Ordinance, 1947.

(2) It extends to the whole of Pakistan and its Provinces, including Baluchistan.

(3) It shall come into force at once and be deemed to have been in force from the date that the Pakistan Banking (Prevention of Default and Evasion of Liabilities) Ordinance, 1947 came into force.

2. In the definition of " Bank " in Section 2 of the Pakistan Banking (Prevention of Default and Evasion of Liabilities) Ordinance, 1947, the following words shall be inserted between the words " means " and " any " :—

" the Imperial Bank of India and ".

M. A. JINNAH,  
Governor-General.