



# THE PROVINCIAL INSOLVENCY ACT, 1920



## CONTENTS

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### PREAMBLE.

- 1 Short title and extent.
- 2 Definitions.

### PART I CONSTITUTION AND POWERS OF COURT

- 3 Insolvency jurisdiction.
- 4 Power of court to decide all questions arising in insolvency.
- 5 General powers of courts.

### PART II PROCEEDINGS FROM ACT OF INSOLVENCY TO DISCHARGE

- 6 Acts of insolvency.

#### Petition

- 7 Petition and adjudication.
- 8 Exemption of corporation, etc., from insolvency proceedings.
- 9 Conditions on which creditor may petition.
- 10 Conditions on which debtor may petition.
- 11 Court to which petition shall be presented.
- 12 Verification of petition.
- 13 Contents of petition.
- 14 Withdrawal of petition.
- 15 Consolidation of petitions.
- 16 Power to change carriage of proceedings.
- 17 Continuance of proceedings on death of debtor.
- 18 Procedure for admission of petition.
- 19 Procedure on admission of petition.
- 20 Appointment of interim receiver.
- 21 Interim proceedings against debtor.
- 22 Duties of debtors.
- 23 Release of debtor.

- 24 Procedure at hearing.
- 25 Dismissal of petition.
- 26 Award of compensation.

### **Orders of Adjudication**

- 27 Order of adjudication.
- 28 Effect of an order of adjudication.
- 29 Stay of pending proceedings.
- 30 Publication of order of adjudication.

### **Proceedings consequent on order of Adjudication**

- 31 Protection order.
- 32 Power to arrest after adjudication.
- 33 Schedule of creditors.
- 34 Debts provable under the Act.

### **Annulment of Adjudication**

- 35 Power to annul adjudication of insolvency.
- 36 Power to cancel one of concurrent orders of adjudication.
- 37 Proceedings on annulment.

### **Compositions and schemes of arrangement**

- 38 Compositions and schemes of arrangement.
- 39 Order an approval.
- 40 Power to re adjudge debtor insolvent.

## **41**

### **Discharge**

- 42 Cases in which Court must refuse an absolute discharge.
- 43 Adjudication to be annulled on failure to apply for discharge.
- 44 Effect of order of discharge.

## **PART III. ADMINISTRATION OF PROPERTY Method of proof of debts**

- 45 Debt payable at a future time.
- 46 Mutual dealings and set-off
- 47 Secured creditors.
- 48 Interest.
- 49 Mode of proof.
- 50 Disallowance and reduction of entries in schedule.

### **Effect of insolvency on antecedent transactions**

- 51 Restriction of rights of creditor under execution.
- 52 Duties of Court executing decree as to property taken in execution.
- 53 Avoidance of voluntary transfer.
- 54 Avoidance of preference in certain cases.
- 54 A By whom petitions for annulment may be made.
- 55 Protection of bona fide transactions.

## **Realisation of Property**

- 56 Appointment of receiver.
- 57 Power to appoint Official Receiver.
- 58 Powers of Court if no receiver appointed.
- 59 Duties and powers of receiver.
- 59 A Power to require information regarding insolvent's property.
- 60 Special provisions in regard to immovable property.  
Distribution of Property
- 61 Priority of debts.
- 62 Calculation of dividends.
- 63 Right of creditor who has not proved debt before declaration of a dividend.
- 64 Final dividend.
- 65 No suit for dividend.
- 66 Management by and allowance to insolvent.
- 67 Right of insolvent to surplus.
- 67 A Committee of inspection.  
Appeal to Court against receiver.
- 68 Appeal to Court against receiver.

## **PART IV. PENALTIES.**

- 69 Offences by debtors
- 70 Procedure on charge under section 69.
- 71 Criminal liability after discharge or composition.
- 72 Undischarged insolvent obtaining credit.
- 73 Disqualifications of insolvent.

## **PART V. SUMMARY ADMINISTRATION**

- 74 Summary administration.

## **PART VI. APPEALS**

- 75 Appeals.

## **PART VII. MISCELLANEOUS**

- 76 Costs.
- 77 Courts to be auxiliary to each other
- 78 Limitation.
- 79 Power to make rules.
- 80 Delegation of powers to Official Receivers.
- 81 Power of Provincial Government to bar application of certain provisions to certain Courts.
- 82 Savings.
- 83 Repeals.

SCHEDULE I.-- DECISIONS AND ORDERS FROM WHICH AN APPEAL LIES TO THE HIGH COURT UNDER SECTION 75(2).

SCHEDULE II.-- PROVISIONS OF THE ACT APPLICATION OF WHICH MAY BE  
BARRED BY PROVINCIAL GOVERNMENTS.

SCHEDULE III.-- [Repealed.]

# THE PROVINCIAL INSOLVENCY ACT, 1920

<sup>1</sup>Act No. V OF 1920

[25th February, 1920]

*An Act to consolidate and amend the Law relating to Insolvency<sup>2</sup> \* \* \*, as administered by Courts having jurisdiction outside<sup>3</sup> \* \* \* the <sup>4</sup>[Karachi Division].*

WHEREAS it is expedient to consolidate and amend the law relating to insolvency <sup>2</sup>\* \* \*, as administered by Courts having jurisdiction outside <sup>3</sup>\* \* \* <sup>5</sup>[the Karachi Division] ; It is hereby enacted as follows:-

**1. Short title and extent.**—(1) This Act may be called the Provincial Insolvency Act, 1920.

<sup>6</sup>[(2) It extends to the whole of Pakistan except the Karachi Division <sup>7</sup>\* \* \* .

**2. Definitions.**—(1) In this Act, unless there is anything repugnant in the subject or context,-

- (a) "creditor" includes a decree-holder, "debt" includes a judgment-debt, and "debtor" includes a judgment debtor;
- (b) "District Court" means the principal Civil Court of original jurisdiction in any area <sup>8</sup>[outside the limits of the ordinary original civil jurisdiction of the<sup>9</sup>[High Court of Sind] as defined in Section 2 of the <sup>10</sup>[Insolvency (Karachi Division and Dacca) Act];
- (c) "prescribed" means prescribed by rules made under this Act;

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<sup>1</sup>For Statement of Objects and Reasons, see Gazette of India, 1918, Pt. V, p. 63; for Report of Select Committee, see *ibid.*, 1919, Pt. V, p. 119; and *ibid.*, 1920, Pt. V, p. 9; and for Proceedings in Council, see *ibid.*, 1918, Pt. VI, pp. 761 and 1322, and *ibid.*, 1920, Pt. VI, pp. 15 and 389.

This Act has been amended in the Punjab by Punjab Act 7 of 1934 and 3 of 1939; in Sind by Sind Act 25 of 1939; and in the Taluka of Karachi by Bom. Act 3 of 1935.

It has been amended in its application to the Province of West Pakistan by West Pakistan Ordinance 8 of 1959.

It has been extended by notification under section 5 of the Scheduled Districts Act, 1874 (14 of 1874), to —

Sind — see Gazette of India, 1920, Pt. I, p. 2052;

Scheduled Districts in the N.W.F.P. — see Gazette of India, 1920, Pt. II, p. 910 ;

Baluchistan — see Baluchistan local R. & O.

It has been extended to the Leased Areas of Baluchistan; see the Leased Areas (Laws) Order, 1950 (G.G.O.3 of 1950); and also applied in the Federated Areas of Baluchistan, see Gazette of India, 1937, Pt. I, p. 1499.

<sup>2</sup>The words "in British India" omitted by A. O., 1949.

<sup>3</sup>The words "the Presidency-towns and" omitted, *ibid.*

<sup>4</sup>Subs. by F.A.O., 1975, Art. 2 and Sch., for "towns of Karachi and Dacca", which was previously amended by various enactments.

<sup>5</sup>The original words "the town of Rangoon" have successively been amended by the Insolvency (Amdt.) Act, 1926 (9 of 1926), s. 11, A.O., 1937 and Ord. 21 of 1960, s. 3 and 2nd Sch. (with effect from the 14th October, 1955), to read as above.

<sup>6</sup>Sub-section (2) has successively been amended by A.O., 1949, Ord. 21 of 1960, s. 3 and 2nd Sch. (with effect from the 14th October, 1955), the Repealing and Amending Ordinance, 1961 (1 of 1961) and A.O., 1964, Art. 2 and Sch., to read as above.

<sup>7</sup>The words "and Dacca" omitted by F.A.O., 1975, Art. 2 and Sch.

<sup>8</sup>The original words "outside the local limits for the time being of the Presidency-towns and of the Town of Rangoon", have successively been amended by the Insolvency (Amdt.) Act, 1926 (9 of 1926), s. 11, A.O. 1937 and A.O. 1949, to read as above.

<sup>9</sup>Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981), S.3 and Sch. II, for "Bench of the High Court of West Pakistan at Karachi", which was previously by various enactments.

<sup>10</sup>Subs. by A.O., 1964, Art 2 and Sch., for "Insolvency (Dacca and the Federal Territory of Karachi) Act" which had been subs. by Ord. 1 of 1961 s. 3 and 2<sup>nd</sup> Sch., for "Insolvency (Capital of the Federal and Dacca). Act".