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THE PUNJAB RELIEF OF INDEBTEDNESS ACT, 1934

(VII of 1934)

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TEXT

¹THE PUNJAB RELIEF OF INDEBTEDNESS ACT, 1934 (VII of 1934)

[8th April, 1935]

An Act

to provide for the Relief of Indebtedness in the Punjab.

WHEREAS it is expedient to amend the law governing the relations between debtors and creditors;

AND WHEREAS the previous sanction of the Governor-General required under section 80-A (3) of the Government of India Act and the previous sanction of the Governor required under section 80-C of the said Act have been obtained;

It is hereby enacted as follow:—

PART I PRELIMINARY

1. Short title, extent and commencement.— (1) This Act may be called the Punjab Relief of Indebtedness Act, 1934.

(2) This Part and Parts III, IV, V, VI, VII and VIII shall extend to the whole of the Punjab and Part II to such areas as the ²[Provincial Government] ³[or the Board of Revenue] may from time to time, by notification, direct.

(3) This Act shall come into force on such date⁴ as the ⁵[Provincial Government] may, by notification, appoint in this behalf.

2. Interpretation clause (definitions).— In this Act, unless there is anything repugnant in the subject or context,—

⁶[(1) “Court” or “Civil Court” includes a Court of insolvency, a receiver appointed under the Provincial Insolvency Act, 1920, and an arbitrator appointed with the consent of the parties or by an order of a Court.]

For Statement of Objects and Reasons, see the *Punjab Gazette*, 1934, Extraordinary, pages 23-24; for Report of the Select Committee, see *ibid.*, 1934, Part V, pages 23-27; for Proceedings in Council, see the Punjab Legislative Council Debates, Volume XXV, pages 2480, 1068-1069; 80-106; 184-213; 318-363; 667-692; 862-984; 986-1018; 1023-1127; 1155-1182; 1191-1216; 1363-1396.

This Act received the assent of the Governor of the Punjab on 4th February, 1935; that of the Governor-General on 5th April, 1935; and published in the *Punjab Gazette* (Extraordinary), dated :8th April, 1935.

²Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

³Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

⁴Came into force on 19th April, 1935, *vide* Notification No. 1639 (Home Department), dated: 18th April, 1935.

⁵Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

⁶Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 2; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁷[(2)] “Interest” means rate of interest and includes the return to be made over and above what was actually lent whether the same is charged or sought to be recovered specially by way of interest or otherwise;

⁸[(3)] “Loan” means a loan whether of money or in kind, and includes any transaction which is, in the opinion of the court, in substance a loan.

PART II INSOLVENCY PROCEDURE

⁹[3. *Amendment of section 10 of the Provincial Insolvency Act, 1920.*— * * * * *]

¹⁰[4. *Amendment of section 74 of the Provincial Insolvency Act, 1920.*— * * * * *]

PART III USURIOUS LOANS

¹¹[5. *Amendment of the Usurious Loans Act, 1918.*— * * * * *]

¹²[6. *Retrospective effect.*— * * * * *]

PART IV DEBT CONCILIATION BOARDS

7. Interpretation clause (definitions).— (1) “Debt” includes all liabilities of a debtor in cash or in kind, secured or unsecured, payable under a decree or order of a civil court or otherwise, whether mature or not, but shall not include debts incurred for the purposes of trade, arrears of wages, land revenue or anything recoverable as an arrear of land revenue, or any debt which is barred by the law of limitation, or debts due to co-operative banks or to co-operative societies or to ¹³[* * * * *] any banking company registered under the ¹⁴[* * * * *] Companies Act, 1913¹⁵, ¹⁶[prior to

⁷Re-numbered Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 2; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁸Re-numbered Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 2; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁹Repealed by the Provincial Insolvency (West Pakistan Amendment) Ordinance, 1959 (VIII of 1959), s. 3 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 25.3.1959, pages 199-200.

¹⁰Repealed by the Provincial Insolvency (West Pakistan Amendment) Ordinance, 1959 (VIII of 1959), s. 3 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 25.3.1959, pages 199-200.

¹¹Repealed by the West Pakistan Usurious Loans Ordinance, 1959 (XVIII of 1959), s.6 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 1.4.1959, pages 255-259.

¹²Repealed by the West Pakistan Usurious Loans Ordinance, 1959 (XVIII of 1959), s.6 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 1.4.1959, pages 255-259.

¹³Omitted the words “the Imperial Bank of India or to” by the Punjab Laws (Adaptation, Revision and Repeal) Act, 1954 (XV of 1955), w.e.f.21.1.1955, s. 2 and Schedule I; and published in the Punjab Gazette (Extraordinary), pages 87-108.

¹⁴Omitted the word “Indian” by the Punjab Laws (Adaptation, Revision and Repeal) Act, 1954 (XV of 1955), w.e.f.21.1.1955, s. 2 and Schedule I; and published in the Punjab Gazette (Extraordinary), pages 87-108.

¹⁵VII of 1913.

¹⁶Substituted for the words “or the law relating to companies for the time being in force in British India,” by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 4; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

the first day of April, 1937, or any bank included in the second Schedule to ¹⁷[the State Bank of Pakistan Order, 1948], other than debts transferred to such societies, banks or banking companies during the pendency of an application under section 9 in which such debts could be taken into consideration for the purposes of this Act, or debts transferred to such societies, banks or banking companies on or after the 2nd day of September, 1938, if in the opinion of the board such transfer was effected with a view to avoid the operation of this Act.]

- (2) “Debtor” means a person who owes a debt and—
- (i) who both earns his livelihood mainly by agriculture, and is either a landowner, or tenant of agricultural land, or a servant of a landowner, or of a tenant of agricultural land, or
 - (ii) who earns his livelihood as a village menial paid in cash or kind for work connected with agriculture ¹⁸[or,]
 - ¹⁹[(iii) whose total assets do not exceed five thousand rupees:]

Provided that a member of a tribe, notified as agricultural under the Punjab Alienation of Land Act, 1900²⁰, shall be presumed to be a debtor as defined in this section until it is proved that his income from other sources is greater than his income from agriculture.

Explanation.— (i) A debtor shall not lose his status as such through involuntary unemployment or on account of incapacity, temporary or permanent, by bodily infirmity, or, if he is or has been in service of ²¹[Pakistan’s] Military or Naval ²²[or Air] Forces, only on account of his pay and allowances or pension exceeding his income from agricultural sources.

- (ii) A debtor shall not lose his status as such by reason of the fact that he makes income by using his plough cattle for purposes of transport.
- (iii) A debtor shall not lose his status as such only because he does not cultivate with his own hands.

²³[* * * * *]

(3) “Agriculture” shall include horticulture and the use of land for any purpose of husbandry inclusive of the keeping or breeding of livestock, poultry, or bees, and the growth of fruit, vegetables and the like.

¹⁷Substituted for the words “the Reserve Bank of India Act, 1934” by the Punjab Laws (Adaptation, Revision and Repeal) Act, 1954 (XV of 1955), w.e.f.21.1.1955, s. 2 and Schedule I; and published in the Punjab Gazette (Extraordinary), pages 87-108.

¹⁸Added by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 4; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

¹⁹Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 4; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

²⁰XIII of 1900.

²¹Substituted for the words “His Majesty’s” by the West Pakistan Laws (Adaptation) Order, 1964, w.e.f. 8.6.1962, s. 2 and Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 3.6.1964, pages 1805-1849.

²²Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 4; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

²³Omitted the words “if any question arises in proceedings under this Part of the Act, whether a person is a debtor or not, the decision of a Debt Conciliation Board shall be final” by the Punjab Relief of Indebtedness (Amendment) Act, 1942 (VI of 1942), s.2; and published in Punjab Gazette (Extraordinary), dated 22.4.1942.

(4) “Prescribed” means prescribed by rules made under this part of the Act.

8. Setting up of Debt Conciliation Boards.— (1) (a) The ²⁴[Provincial Government] ²⁵[or the Board of Revenue] may for the purpose of amicable settlement between debtors and their creditors establish debt conciliation boards.

(b) The ²⁶[Provincial Government] ²⁷[or the Board of Revenue] shall define the local limits of the area in which a board shall have jurisdiction.

(c) The ²⁸[Provincial Government] ²⁹[or the Board of Revenue] shall determine the pecuniary limits of the jurisdiction of the board, provided that no board shall have jurisdiction to make a settlement between a debtor and his creditors if the total debts of the debtor exceed Rs.10,000 or such larger amount as the ³⁰[Provincial Government] ³¹[or the Board of Revenue] may prescribe for any area.

(d) Such board shall consist of a chairman and ³²[one] or more members to be appointed by the ³³[Provincial Government] ³⁴[or the Board of Revenue]:

³⁵[Provided that no act done or proceeding taken by a board under this Act shall be called into question on the ground merely of the existence of any vacancy in any board.]

(e) The chairman and every member of a board so established shall be appointed for a term not exceeding three years, but shall be eligible for re-appointment on the expiry of his term.

(f) The quorum of a board shall be prescribed by the ³⁶[Provincial Government] ³⁷[or the Board of Revenue].

²⁴Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

²⁵Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

²⁶Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

²⁷Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

²⁸Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

²⁹Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

³⁰Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

³¹Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

³²Substituted for the word “two” by the Punjab Relief of Indebtedness (Amendment) Act, 1942 (VI of 1942), s.3; and published in Punjab Gazette (Extraordinary), dated 22.4.1942.

³³Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

³⁴Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

³⁵Added by the Punjab Relief of Indebtedness (Amendment) Act, 1942 (VI of 1942), s.3; and published in Punjab Gazette (Extraordinary), dated 22.4.1942.

- (g) Where the chairman and members of a board are not unanimous, the opinion of the majority shall prevail, and, if the board is equally divided, the chairman shall exercise a casting vote.
- (2) The ³⁸[Provincial Government] ³⁹[or the Board of Revenue] may cancel the appointment of any member of a board or dissolve any board.
- (3) The ⁴⁰[Provincial Government] ⁴¹[or the Board of Revenue] shall notify in the ⁴²[Official Gazette]–
- (a) the establishment of a board and the appointment of its members; and the board shall be deemed to have been established and its members appointed from the date specified in such notification or notifications;
 - (b) the cancellation of the appointment of any member of a board; and from the date specified in such notification the member shall cease to be a member of the board;
 - (c) the dissolution of a board; and from the date specified in such notification the board shall cease to exist.
- (4) When a board is dissolved or ceases to exist otherwise, the ⁴³[Provincial Government] ⁴⁴[or the Board of Revenue] may at any time establish another board within the same local limits in which the former board had jurisdiction and may declare this board to be the successor in office of the first board and may confer on it power to dispose of such applications under section 13(2) and section 23 as the ⁴⁵[Provincial Government] ⁴⁶[or the Board of Revenue] may direct.

9. Application for settlement between a debtor and his creditors.– A debtor or any of his creditors may apply to the board appointed for the area in which a debtor resides or holds any land, to effect a settlement between the debtor and his creditors:

³⁶Substituted, for the words “Local Government”, by the Government of India (Adaptation of Indian Laws) Order, 1937 as amended by the Government of India (Adaptation of Indian Laws) Supplementary Order, 1937.

³⁷Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

³⁸Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

³⁹Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

⁴⁰Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

⁴¹Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

⁴²Substituted, for the word “Gazette”, by the Government of India (Adaptation of Indian Laws) Order, 1937 as amended by the Government of India (Adaptation of Indian Laws) Supplementary Order, 1937.

⁴³Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

⁴⁴Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

⁴⁵Substituted for the words “Local Government” by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

⁴⁶Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

Provided that no application shall be made if the debtor's debts exceed ten thousand rupees or such larger sum as the ⁴⁷[Provincial Government] ⁴⁸[or the Board of Revenue] may prescribe for any particular area.

10. Verification of application.— Every application to a board shall be in writing and be signed by the applicant and verified in such manner as may be prescribed.

11. Particulars to be stated in application.— (1) Every application presented by a debtor to a board shall contain the following particulars, namely,—

- (a) the place where he resides or holds land;
- (b) the particulars of all claims against him together with names and residences of his creditors;
- (c) the particulars of all his property, together with a specification of the value of such property and the place or places at which any such property is to be found;
- (d) a statement that he is unable to pay his debts, and that they do not exceed the prescribed amount ⁴⁹[;]
- ⁵⁰[(e) a statement whether he has previously filed an application in respect of the same debt before the same or another board, and if so, with what result.]

(2) Every application presented by a creditor shall contain the following particulars, namely,—

- (a) the place where the debtor resides or holds land;
- (b) the amount and particulars of his claim against such debtor;
- (c) a statement that the debtor is unable to pay his debts.

12. Procedure on receipt of application.— (1) On receipt of an application under section 9 the board shall pass an order fixing a date and place for hearing the application:

Provided that the board may at any time dismiss the application if, for reasons to be stated in writing, it does not consider it desirable to attempt to effect a settlement between the debtor and the creditors.

(2) Notice of the order under sub-section (1) shall be sent to creditors by registered post, acknowledgement due, and where the debtor is not the applicant, notice of the order under sub-section (1) shall be sent to him in a similar manner.

13. Notice calling upon creditors to submit statements of debts.— (1) On the date fixed the board shall publish, in such manner as may be prescribed, a notice,

⁴⁷Substituted for the words "Local Government" by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

⁴⁸Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

⁴⁹The full stop was replaced by 'the colon' by the Punjab Relief of Indebtedness (Amendment) Act, 1942 (VI of 1942).

⁵⁰Added by the Punjab Relief of Indebtedness (Amendment) Act, 1942 (VI of 1942), s.3-A; and published in Punjab Gazette (Extraordinary), dated 22.4.1942.

calling upon every creditor of the debtor to submit a statement of debts owed to such creditor by the debtor. Such statement shall be submitted to the board in writing within two months from the date of publication of the notice:

Provided that, if the board is satisfied that any creditor was, for good and sufficient cause, unable to comply with such direction ⁵¹[or to produce the documents required under sub-section (1) of section 14] within the time fixed, it may extend the period for the submission of his statement of the debts owed to him ⁵²[or for the production of such documents,].

⁵³[(2) Every debt owed to a single creditor of which no such statement has been submitted to the board in compliance with the provisions of sub-section (1) shall be deemed to be duly discharged for all purposes and all occasions against such creditor; and every debt owed to two or more creditors jointly, of which such statement or statements signed by all such creditors or their recognised agents has or have not been so submitted, shall be deemed to be so discharged against such creditors as have failed to submit the said statement or statements, but only to the extent of their respective shares in the said debt:

Provided that no such debts shall be deemed to be discharged against any creditors whose names have not been included in the application made under section 9.

(3) If the creditor or any of the joint creditors fails without sufficient cause to be present in person or by his recognised agent or legal practitioner in accordance with the provisions of section 24 at any of the hearings fixed by the board, or fails to produce full particulars and documents as required under sub-section (1) of section 14, the debt due to him or to the joint creditors, as the case may be, shall be deemed for all purposes and all occasions to have been fully discharged.

(4) If any creditor proves to the satisfaction of the board, or, if no board is vested with jurisdiction by the Provincial Government ⁵⁴[or the Board of Revenue], to the satisfaction of a civil court, that the notice was not served on him and that he had no knowledge of its publication or that he was unavoidably absent at any of the hearings fixed by the board, the board or the court, as the case may be, may revive that debt.]

14. Procedure on submission of statements of debts.— (1) Every creditor submitting in compliance with a notice issued under sub-section (1) of section 13 a statement of the debts owed to him shall furnish, alongwith such statement, full particulars of all such debts, and shall at the same time produce all documents (including entries in books of account) on which he relies to support his claims, together with a true copy of every such document:

⁵¹Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 5; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁵²Added by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 5; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁵³Substituted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 5; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁵⁴Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

Provided that a decree or order of a civil court shall be conclusive evidence as to the amount of the debt to which the decree relates, but the amount may be reduced as the result of an agreement arrived at in accordance with section 17.

(2) The board shall, after marking for the purpose of identification every original document so produced and verifying the correctness of the copy, retain the copy and return the original to the creditor.

15. Board to attempt amicable settlement.— The board shall call upon the debtor and each creditor to explain his case regarding each debt, and shall use its best endeavours to induce them to arrive at an amicable settlement.

⁵⁵**[15-A. Power of board to adjudicate on genuineness or enforceability of debts.**— (1) If a creditor or debtor, as the case may be, challenges the genuineness or enforceability of any debt included in an application, the board shall adjudicate upon the issue.

(2) Any person aggrieved by a decision of the board under sub-section (1) may appeal therefrom to the Collector or such other officer, not below the rank of an Assistant Collector of the first grade, as the Provincial Government ⁵⁶[or the Board of Revenue] may appoint in this behalf ⁵⁷[:]

⁵⁸[Provided that no order under subsection (2) shall be passed without giving the parties an opportunity of being heard.]

(3) The period of limitation for an appeal under this section shall run from the date of the order appealed against and shall be thirty days.

(4) An appeal shall not lie from an order refusing to review or confirming on review a previous order.

(5) Notwithstanding anything hereinbefore contained, no appeal or application for revision shall lie against a decision of the board under sub-section (1) unless the aggregate value of the items in regard to which the appeal is preferred exceeds two thousand rupees.

(6) No order passed under this section shall be open to question in a civil court.]

16. Power of Board to require attendance of persons and production of documents and to receive evidence.— Any board empowered under this Act may exercise all such powers connected with the summoning and examining of parties and witnesses and with the production of documents as are conferred on civil courts by the Code of Civil Procedure⁵⁹, and every proceeding before the board shall be deemed a judicial proceeding.

⁵⁵Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 6; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁵⁶Inserted by the West Pakistan (Adaptation and Repeal of Laws) Act, 1957 (XVI of 1957), w.e.f. 14.10.1955, s.3 and schedule III; and published in the Gazette of West Pakistan (Extraordinary), pages 709- 789.

⁵⁷Replaced for full-stop by the Punjab Relief of Indebtedness (Amendment) Ordinance, 1985 (XIII of 1985).

⁵⁸Added *ibid*.

⁵⁹V of 1908.

17. Registration and effect of agreement.— (1) If the debtor and all or any of the creditors come to an amicable settlement, the board shall forthwith reduce such settlement to writing in the form of an agreement setting forth the amounts payable to each creditor and the manner in which and the times at which they are to be paid. Such agreement shall be read out and explained to the parties concerned, and shall be signed or otherwise authenticated by the board and the parties: provided that if the board is of the opinion that the period fixed for payment is excessive, the board may refuse to authenticate the agreement. The board shall also pass an order dismissing the application so far as it relates to the creditors who have not come to an amicable settlement.

(2) An agreement thus made shall take effect as if it were a decree of a civil court having jurisdiction in the area of the jurisdiction of the board.

⁶⁰[(3) Notwithstanding anything contained in the ⁶¹[***] Registration Act, 1908, or in the rules made thereunder an agreement made under sub-section (1) shall not be liable to registration.]

18. Dismissal of applications in default.— If in the opinion of the board any applicant fails to conduct his application with due diligence, the board may dismiss the application at any stage.

19. Bar to successive applications.— If once an application has been made by a debtor and disposed of, no board shall entertain a second application within two years of the date of disposal of the first application.

20. Grant of certificate by board in respect of debts.— (1) Where, during the hearing of any application made under section 9, any creditor refuses to agree to an amicable settlement, the board may, if it is of opinion that the debtor has made such creditor a fair offer which the creditor ought reasonably to accept, grant the debtor a certificate, in such form as may be prescribed, in respect of the debts owed by him to such creditor.

⁶²[* * * * *]

(2) **Power of court to disallow costs or interest.**— Where any creditor sues ⁶³[or takes out execution proceedings] in a civil court for the recovery of a debt in respect of which a certificate has been granted under sub-section (1), the court notwithstanding the provisions of any law for the time being in force, shall not allow

⁶⁰Added by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 7; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁶¹Omitted the word "Indian" by the Punjab Laws (Adaptation, Revision and Repeal) Act, 1954 (XV of 1955), w.e.f.21.1.1955, s. 2 and Schedule I; and published in the Punjab Gazette (Extraordinary), pages 87-108.

⁶²Omitted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 8; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁶³Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 8; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

the plaintiff any costs in such suit, ⁶⁴[or proceedings] or any interest on the debt after the date of certification under sub-section (1) ⁶⁵[***].

(3) Where after the date of an agreement made in accordance with section 17 or of certification any unsecured creditor sues for the recovery of a debt in respect of which a certificate has been granted under sub-section (1) or any creditor sues for the recovery of a debt incurred after the date of such agreement, any decree passed in such suit notwithstanding anything contained in the Code of Civil Procedure, 1908⁶⁶, shall not be executed until six months after the expiry of the period fixed in the agreement authenticated under sub-section (1) of section 17.

⁶⁷[(4) Where after the date of an agreement made in accordance with section 17 or of certification any unsecured creditor applies for the execution of a decree in respect of which a certificate has been granted under sub-section (1), the said decree notwithstanding anything contained in the Code of Civil Procedure, 1908⁶⁸, shall not be executed until six months after the expiry of the period fixed in the agreement authenticated under sub-section (1) of section 17.]

⁶⁹**[20-A. Decision of Board to be final.]**— If any question arises in any proceedings under this part of the Act whether a loan or liability is a debt or not or whether a person is a debtor or not, the decision of the Debt Conciliation Board shall be final, and shall not be called into question in any court.]

21. Bar of civil suits.— ⁷⁰[Save as otherwise provided in this Act] no civil court shall entertain—

- (a) any suit, ⁷¹[appeal or application for revision]—
 - (i) to question the validity of any procedure or the legality of any ⁷²[order or agreement made or certificate issued] under this Act, or
 - (ii) to recover any debt recorded as wholly or partly payable under an agreement made in accordance with section 17 from any person who, as a debtor, was party to such agreement, or

⁶⁴Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 8; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁶⁵Omitted the words "in excess of simple interest at six per centum per annum on the amount due on the date of such certificate" by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 8; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁶⁶V of 1908.

⁶⁷Added by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 8; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁶⁸V of 1908.

⁶⁹Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1942 (VI of 1942), s.4; and published in Punjab Gazette (Extraordinary), dated 22.4.1942.

⁷⁰Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 9; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁷¹Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 9; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁷²Substituted for the words "agreement made" by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 9; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

- (iii) to recover any debt which has been deemed to have been duly discharged under ⁷³[the provisions of this Act];
- (b) any application to execute a decree, the execution of which is suspended under ⁷⁴[sub-section (3) or (4)] of section 20.
- ⁷⁵[(c) any suit for a declaration, or any suit or application for injunction, affecting any proceedings under this Act before a board.]

22. Bar of appeal or revision.— ⁷⁶[Save as otherwise expressly provided in this Act] no appeal or application for revision shall lie against any order passed by a board.

23. Power of board to review its order.— A board may, on the application from any person interested, review any order passed by it and pass such order as it thinks fit:

Provided that it shall not under this section pass an order reversing or modifying any order affecting any person interested without giving such person an opportunity of being heard:

Provided further that no application for review shall be entertained if presented more than twelve months after the date of the order which the person interested seeks to have reviewed.

24. Appearance of party before board by agent or by legal practitioner.— In any proceedings under this part of the Act, any party may ⁷⁷[***] be represented by an agent authorised in writing or ⁷⁸[with the permission of the board] by a legal practitioner.

25. Bar to new suits and applications and suspension of pending suits and applications.— ⁷⁹[(1)] When an application has been made to a board under section 9 ⁸⁰[or section 23], no civil court shall entertain any new suit or other proceeding brought for the recovery of any debt ⁸¹[covered by application], and any suit or other proceeding pending before a civil court in respect of any such debt shall be

⁷³Substituted for the words “sub-section (2) of section 13” by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 9; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁷⁴Substituted for the words “sub-section (3)” by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 9; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁷⁵Added by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 9; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁷⁶Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 10; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁷⁷Omitted the words “with the permission of the board” by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 11; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁷⁸Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 11; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁷⁹Re-numbered by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 12; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁸⁰Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 12; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁸¹Substituted for the words “for the settlement of which application has been made to the board” by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 12; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940..

suspended until the board has dismissed the application or an agreement has been made under section 17.

⁸²[(2) When any execution proceeding pending before a civil court is suspended under sub-section (1), and any animal has been attached and made over to supardar in connection with such proceeding, the judgment-debtor shall be entitled to the return of such animal but shall not be competent to sell or in any way part with the ownership of any animal so attached during the suspension of such proceeding; and if the judgment-debtor has been committed to a civil prison in connection with such proceedings he shall be released forthwith.]

26. Extension of limitation.— The time spent in proceedings before a conciliation board and time during which a person is debarred from suing or executing his decree under the provisions of this Part of this Act shall be excluded when counting the period of limitation for any application, suit or appeal.

27. Members of boards deemed to be public servants.— The members of a board shall be deemed to be public servants within the meaning of the ⁸³[Pakistan] Penal Code ⁸⁴.

28. Power to make rules.— (1) The ⁸⁵[Provincial Government] may make any rules consistent with this Part of this Act to carry out the purposes thereof, and in particular and without prejudice to the generality of the foregoing power may make rules—

- (a) prescribing the amount of debt for the purposes of section 8(1)(c);
- (b) prescribing the quorum for and regulating the procedure before a board;
- (c) prescribing the charges to be made by a board for anything done under this Act and the persons by whom and the manner in which such charges shall be paid;
- (d) prescribing the records to be kept and the returns to be made by a board;
- (e) prescribing the allowances to be paid to members of a board;
- ⁸⁶[(ee) prescribing the particulars of debts under sub-section (1) of section 14;]
- (f) prescribing the place at which and the manner in which an agreement shall be registered;
- (g) prescribing the form of certificate to be granted under sub-section (1) of section 20; and

⁸²Added by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 12; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁸³Substituted for the word "Indian" by the Punjab Laws (Adaptation, Revision and Repeal) Act, 1954 (XV of 1955), w.e.f.21.1.1955, s. 2 and Schedule I; and published in the Punjab Gazette (Extraordinary), pages 87-108.

⁸⁴XLV of 1860.

⁸⁵Substituted for the words "Local Government" by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

⁸⁶Inserted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 13; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

(h) generally, for the purpose of carrying into effect the provisions of this Part of this Act.

(2) The power conferred by this section of making rules is subject to the condition that the rules be made after previous publication.

29. Penalty for breach of the rules.— In making any rule the ⁸⁷[Provincial Government] may direct that a breach thereof shall be punishable with fine which may extend to fifty rupees, and, where the breach is a continuing one, with further fine which may extend to ten rupees for every day after the first during which the breach continues.

PART V DAMDUPAT

⁸⁸[30. *Damdapat.*— * * * * *]

PART VI DEPOSIT IN COURT

⁸⁹[31. *Deposit in court.*— * * * * *]

⁹⁰[32. *Power of Provincial Government to make rules.*— * ** * * *]

PART VII REDEMPTION OF MORTGAGES

⁹¹[33. *Amendment of section 1(3)(a) of the Redemption of Mortgages (Punjab) Act, 1913.*— * * * * *]

PART VIII MISCELLANEOUS AMENDMENTS OF THE CIVIL LAW

⁹²[34. *Immunity from arrest.*— * * * * *]

⁹³[35. *Amendment of section 60 of the Code of Civil Procedure, 1908.*— * * * * *]

⁸⁷Substituted for the words "Local Government" by the Government of India (Adaptation of Indian Laws) Order, 1937, w.e.f.1.4.1937, Article 4 and Table of General Adaptations.

⁸⁸Repealed by the West Pakistan Relief of Indebtedness Ordinance, 1960 (XV of 1960), s.14 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 27.4.1960, pages 1789-1793.

⁸⁹Repealed by the West Pakistan Relief of Indebtedness Ordinance, 1960 (XV of 1960), s.14 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 27.4.1960, pages 1789-1793.

⁹⁰Repealed by the West Pakistan Relief of Indebtedness Ordinance, 1960 (XV of 1960), s.14 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 27.4.1960, pages 1789-1793.

⁹¹Repealed by the West Pakistan Relief of Indebtedness Ordinance, 1960 (XV of 1960), s.14 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 27.4.1960, pages 1789-1793.

⁹²Repealed by the West Pakistan Relief of Indebtedness Ordinance, 1960 (XV of 1960), s.14 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 27.4.1960, pages 1789-1793. Which was earlier substituted by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 15; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940

⁹³Repealed by the West Pakistan Relief of Indebtedness Ordinance, 1960 (XV of 1960), s.14 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 27.4.1960, pages 1789-1793. Which was earlier substituted by the

⁹⁴[36. *Amendment of Order XXI, Rule 2, of the Code of Civil Procedure, 1908.*— * *
* * *]

⁹⁵[37. *Penalty for false claim of a principal sum.*— * * * * *]

⁹⁶[38. *Penalty for use of documents containing false entries.*— * * * *]

Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 16; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940.

⁹⁴Repealed by the West Pakistan Relief of Indebtedness Ordinance, 1960 (XV of 1960), s.14 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 27.4.1960, pages 1789-1793.

⁹⁵Repealed by the West Pakistan Money-Lenders Ordinance, 1960 (XXIV of 1960), S. 30 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 20.7.1960, pages 2863-2878.

⁹⁶Repealed by the West Pakistan Money-Lenders Ordinance, 1960 (XXIV of 1960), S. 30 and the Schedule; and published in the Gazette of West Pakistan (Extraordinary), dated 20.7.1960, pages 2863-2878. Which was earlier added by the Punjab Relief of Indebtedness (Amendment) Act, 1940 (XII of 1940), s. 18; and published in the Punjab Gazette (Extraordinary), dated 5.10.1940