



THE INSOLVANCY (KARACHI DIVISION) ACT,1909



CONTENTS

SECTIONS:

PRELIMINARY

- 1 Short title and commencement.
- 2 Definitions.

PART I CONSTITUTION AND POWERS OF COURT

Jurisdiction

- 3 Courts having Jurisdiction in insolvency.
- 4 Jurisdiction to be exercised by a single Judge.
- 5 Exercise of jurisdiction in chambers.
- 6 Delegation of powers to officers of Court.
- 7 Power of Court to decide all questions arising in insolvency.

Appeals

- 8 Appeals in insolvency.

PART II PROCEEDINGS FROM ACT OF INSOLVENCY TO DISCHARGE

Acts of insolvency

- 9 Acts of insolvency.

Order of adjudication

- 10 Power to adjudicate.
- 11 Restrictions on jurisdiction.
- 12 Conditions on which creditor may petition.
- 13 Proceedings and order on creditor's petition.
- 14 Conditions on which debtor may petition.
- 15 Proceedings and order on debtor's petition.
- 16 Discretionary powers as to appointment of interim receiver.
- 17 Effect of order of adjudication.
- 18 Stay of proceedings.
- 18A Control over insolvency proceedings in subordinate Courts.

- 19 Power to appoint special manager.
- 20 Advertisement of order of adjudication.

Annulment of adjudication

- 21 Power for Court to annul adjudication in certain cases.
- 22 Concurrent proceedings in British Courts.
- 23 Proceedings on annulment.

Proceedings consequent on order of adjudication

- 24 Insolvent's schedule.
- 25 Protection order.
- 26 Meetings of creditors.
- 27 Public examination of the insolvent.

Composition and schemes of arrangement

- 28 Submission of proposal and acceptance by creditors.
- 29 Approval of proposal by Court.
- 30 Order on approval.
- 31 Power to re-adjudge debtor insolvent.
- 32 Limitation of effect of composition or scheme.

Control over person and property of insolvent

- 33 Duties of insolvent as to discovery and realization of property.
- 34 Arrest of insolvent.
- 35 Redirection of letters.
- 36 Discovery of insolvent's property.
- 37 Power to issue commissions.

Discharge of Insolvent.

- 38 Discharge of insolvent.
- 39 Cases in which the Court must refuse an absolute discharge.
- 40 Hearing of application for discharge.
- 41 Power to annul adjudication on failure to apply for discharge.
- 42 Renewal of application and variation of terms of order.
- 43 Duty of discharged insolvent to assist in realization of property.
- 44 Fraudulent settlements.
- 45 Effect of order of discharge.

PART III ADMINISTRATION OF PROPERTY

Proof of debts

- 46 Debts provable in insolvency.
- 47 Mutual dealings and set-off.
- 48 Rules as to proof of debts.
- 49 Priority of debts.
- 50 Rent due before adjudication.

Property available for payment of debts.

- 51 Relation of assignee's title.

52 Description of insolvent's property divisible amongst creditors.

Effect of insolvency on antecedent transactions.

53 Restriction of rights of creditor under execution.

54 Duties of Court executing decree as to property taken in execution.

55 Avoidance of voluntary transfer.

56 Avoidance of preference in certain cases.

57 Protection of *bona fide* transactions.

Realization of property

58 Possession of property by official assignee.

59 Seizure of property of insolvent.

60 Appropriation of portion of pay or other income to creditors.

61 Vesting and transfer of property.

62 Disclaimer of onerous property.

63 Disclaimer of lease-holds.

64 Power to call on official assignee disclaim.

65 Power for Court to rescind contract.

66 Power for Court to make vesting order in respect of disclaimed property.

67 Persons injured by disclaimer may prove.

68 Duty and powers of official assignee as to realization.

Distribution of property

69 Declaration and distribution of dividends.

70 Joint and separate properties.

71 Calculation of dividends.

72 Right of creditor who has not proved debt before declaration of a dividend.

73 Final dividend.

74 No suit for dividend.

75 Power to allow insolvent to manage property, and allowance to insolvent for maintenance or service.

76 Right of insolvent to surplus.

**PART IV
OFFICIAL ASSIGNEES**

77 Appointment and removal of official assignees of insolvent's estate.

78 Power to administer oath.

79 Duties as regards the insolvent's conduct.

80 Duty to furnish list of creditors.

81 Remuneration.

82 Misfeasance.

83 Name under which to sue or be sued.

84 Office vacated by insolvency.

85 Discretionary powers and control thereof.

86 Appeal to Court.

87 Control of Court.

**PART V
COMMITTEE OF INSPECTION**

- 88 Committee of inspection.
- 89 Control of committee of inspection over official assignee.

**PART VI
PROCEDURE**

- 90 Powers of the Court.
- 91 Consolidation of petitions.
- 92 Power to change carriage of petition.
- 93 Continuance of proceedings on death of debtor.
- 94 Power to stay proceedings.
- 95 Power to present petition against a partner.
- 96 Power to dismiss petition against some respondents only.
- 97 Separate insolvency petitions against partners.
- 98 Suits by official assignee and insolvent's partners.
- 99 Proceedings in partnership name.
- 100 Warrants of Insolvency Courts.

**PART VII
LIMITATION**

- 101 Limitation of appeals.

**PART VIII
PENALTIES**

- 102 Undischarged insolvent obtaining credit.
- 103 Punishment of insolvent for certain offences.
- 103 A Disqualifications of insolvent.
- 104 Procedure on charge under section 103.
- 105 Criminal liability after discharge or composition.

**PART IX
SMALL INSOLVENCIES**

- 106 Summary administration in small cases.

**PART X
SPECIAL PROVISIONS**

- 107 Exemption of corporation, etc., from insolvency proceedings.
- 108 Administration in insolvency of estate of person dying insolvent.
- 109 Vesting of estate and mode of administration.
- 110 Payments or transfer by legal representatives.
- 111 Saving of jurisdiction of Administrator-General.

**PART XI
RULES**

- 112 Rules.
- 113 Sanction to rules.
- 114 Publication of rules.

**PART XII
SUPPLEMENTAL**

115	Exemption from duty of transfers, etc., under this Act.
116	The Gazette to be evidence.
117	Swearing of affidavits.
118	Formal defect not to invalidate proceedings.
119	[Omitted.]
120	Certain provisions to bind the Government.
121	[Omitted.]
122	Lapse and credit to Government of unclaimed dividends.
123	Claims to monies credited to Government under section 122.
124	Access to insolvent's books.
125	Fees and percentages.
126	Courts to be auxiliary to each other.
127	[Omitted.]

THE FIRST SCHEDULE
(See Section 26)
MEETINGS OF CREDITORS

THE SECOND SCHEDULE
(See Section 48)
PROOF OF DEBTS

THE THIRD SCHEDULE
[Repealed.]