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## THE PUBLIC INVESTMENTS (FINANCIAL SAFEGUARDS)

ORDINANCE, 1960.

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THE PUBLIC INVESTMENTS (FINANCIAL SAFEGUARDS) ORDINANCE,  
1960.

ORDINANCE No. XLVI OF 1960  
[2nd November, 1960]

An Ordinance to provide for financial safeguards in respect of certain investments made out of public revenues.

WHEREAS it is expedient to provide for financial safeguards in respect of certain investments made out of public revenues;

NOW, THEREFORE, in pursuance of the Proclamation of the seventh day of October, 1958, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:—

1. Short title and commencement.—(1) This Ordinance may be called the Public Investments (Financial Safeguards) Ordinance, 1960.

(2) It shall come into force at once.

2. Definitions. In this Ordinance, unless there is anything repugnant in the subject or context, “appropriate Government” means—

(a) in relation to a corporation, institution or undertaking established with the aid of the revenues of the [Federation] but not with the aid of the revenues of a Province, the [Federal Government] ;

(b) in relation to a corporation, institution or undertaking established with the aid of the revenues of a Province but not with the aid of the revenues of the [Federation] or of 7[any other Province], the Provincial Government concerned; and

(c) in relation to a corporation, institution or undertaking established with the aid of the revenues of the '[Federation] and those of one [more of] the Provinces, or with the aid of the revenues of 7[two or more of] Provinces but not with the aid of the revenues of the '[Federation], the \*[Federal] or one of the \*\* Provincial Governments as may be agreed between the Governments concerned, and in default of such agreement,—

(i) the \*[Federal Government], where the revenues of the '[Federation], are contributed, or where the revenues of the Provinces are contributed in equal shares, and

(ii) the Provincial Government holding the larger share, where the revenues of the \*\* Provinces are contributed in unequal shares without there being any contribution from the revenues of the '[Federation].

'Subs. by F.A.O., 1975 Art.2 and Table, for “Centre” which was previously subs. by A.O. 1964, Art.2 and Subs. ibid., for “Central Government”.

Subs. ibid. Art.2 and Table, for “Central”.

‘Omitted ibid. Art.2 and Sch.

Subs. *ibid.* Art.2 and Table, for “Central Government”.

3. Power to appropriate Government to prescribe procedures, etc., in certain cases.—

(1) Where any corporation, institution or undertaking, whether incorporated in pursuance of a[Federal] or Provincial law or not so incorporated, has been established by Government with the aid of public revenues, the appropriate Government shall, notwithstanding anything in any law, or in any instrument, deed or other document relating to such corporation, institution or undertaking, have power—

(a) to prescribe financial procedures, including procedures for internal financial, control in respect of matters relating to the receipt and expenditure of moneys

and sanctions thereto;

(b) to give general or special financial directions to such corporations, institutions and undertakings; and

(c) to depute such of its officer or officers to scrutinize their financial procedures and transactions as it may think necessary.

(2) Where any procedure is prescribed under clause (a) of sub-section (1), or any financial direction is given, or officer deputed, under clause (b) or clause (c) thereof, it shall be the duty of the Corporation, institution or undertaking concerned to comply with the procedure or direction, or, as the case may be, to receive the officer and afford him every convenient means of fulfilling the purpose of his deputation.

4. Power to appropriate Government to give directions in certain other cases. Where any corporation has been established otherwise than by Government, but Government, or any such-corporation, institution or undertaking as is referred to in section 3, has provided a portion of the capital or funds thereof, and is thereby entitled to appoint one or more Directors, the appropriate Government may, notwithstanding anything in the ?[Companies Ordinance, 1984(XLVII of 1984)] or in any other law, or in any instrument, deed or other document relating thereto, give the director or directors so appointed such general or special financial directions as it may think necessary, and it shall be the duty of every such director to comply with the directions so given.

5. Power to call for documents, etc. The appropriate Government may, in order to ensure proper compliance with the provisions of this Ordinance, call for any information, including any book, account, record or other document, from any such corporation, institution or undertaking as is referred to in section 3, or from any such director as is referred to in section 4.

6. Penalties.—Whoever fails to discharge any duty imposed by or under this Ordinance, or to comply with any direction given or any rule or order made or issued thereunder, shall be punishable with simple imprisonment for a term which may extend to three months, or with fine which may extend to ten thousand rupees, or with both.

7. Offences by Corporations etc. If an offence punishable under this Ordinance is committed by a Corporation, institution or undertaking, every director, manager, secretary, agent or other officer or person concerned with the management thereof, shall, unless he proves that the offence was committed without his knowledge or consent, or that he exercised due diligence to prevent its commission, be deemed to be guilty of such offence.

'Subs. by F.A.O., 1975 Art.2 and Table, for "Centre" which was previously sub. by A.O. 1964, Art.2 and S

\*Subs. by Act III of 06, s.5.

8. False information etc. Any person who,

(a) when required under this Ordinance to furnish any information, furnishes any information which is false in any material particular and which he knows or has reasonable cause to believe to be false, or does not believe to be true, or

(b) knowingly makes any false statement in any book, account, record or other document which he is required under this Ordinance to furnish,

shall be punishable with the same punishment as is provided in section 6.

9. Cognizance of offence.—No Court inferior to that of a Magistrate of the First Class shall take cognizance of any offence punishable under this Ordinance, and cognizance shall not be so taken save on a complaint made in writing by or under the authority of the appropriate Government.

2[9A. Ordinance not to apply to certain bodies corporate, etc.— Notwithstanding anything contained in this Ordinance a body corporate, company, institution, undertaking and establishment, specified in the Schedule to this Ordinance, upon privatization pursuant to the Privatization Commission Ordinance, 2000 (LII of 2000) shall not be deemed to be a body corporate, corporation, institution, undertaking or establishment established with the aid of public revenues of the Federation or the Federal Government for the purpose of this Ordinance. ]

10. Power to make rules.—The '[appropriate Government] may, by notification in the official Gazette, make rules for carrying out the purposes of this Ordinance.

## 21\*THE SCHEDULE

[See section 9A]

The Pakistan Telecommunication Company Limited.  
The Pakistan Steel Mills Corporation.”

'Subs. A.O., 1964, Art. 2 and Sch., for “Central Government”.

\*Ins. & added by Act.III of 06,s.5.