

THE PUBLIC INVESTMENT (FINANCIAL SAFEGUARD)

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:-

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

(2) It shall come into force at once.

Definition. 2. 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 <sup>1</sup>(Federation) but not with the aid of the revenue of a Province, the <sup>2</sup>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 <sup>1</sup>(Federation) or of the other Province, the Provincial Government concerned; and

(c) in relation to a corporation, institution or undertaking established with the aid of the

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<sup>1</sup> Subs by F.A.Q., 1975 Art. 2 and Table, for "Centre" which was previously subs, by A.O. 1964, Art. 2 and Sch... for "Federation".

<sup>2</sup> Subs. *Ibid*, for "Central Government".

revenues of the <sup>1</sup>(Federation) and those of one or both of the Provinces, or with the aid of the revenues of both the provinces but not with the aid of the revenues of the <sup>1</sup>(Federation), the <sup>3</sup>Federal or one of the two <sup>4</sup>Provincial Governments as may be agreed between the Governments concerned, and in default of such agreement,

- (i) the <sup>5</sup>Federal Government, where the revenues of the <sup>1</sup>(Federal), 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 two <sup>4\*</sup> Provinces are contributed in unequal shares without there being any contribution from the revenues of the <sup>1</sup>(Federation).

3.-(1) Where any corporation, institution or undertaking, whether incorporated in pursuance of a <sup>3</sup>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

Power to appropriate government to prescribe procedures, etc., in certain cases.

- (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

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<sup>3</sup> Subs. *ibid.* Art.2 and Table, for “Central”.

<sup>4</sup> Omitted *ibid.* Art. 2 and Sch.

<sup>5</sup> Subs, *ibid.* Art. 2 and Table, for “Central Government”.

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.

Power to appropriate government to give directions in certain other cases. 4. 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, 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.

Power to call for documents, etc. 5. 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.

Penalties. 6. 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.

Offence by Corporations, etc. 7. If an offense 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 offense was committed without his knowledge or consent, or that he exercised due diligence to prevent its commission, be deemed to be guilty of such offense.

False information, 8. Any person who,

XLVII of  
1984

etc.

(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. No Court inferior to that of a magistrate of the first Class shall take cognizance of any offense 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. Cognizance of Offence.

“9A. <sup>\*\*i</sup>*Ordinance not to apply to certain bodies corporate, etc.-*

(1) Notwithstanding anything 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 purposes of this Ordinance.

(2) The Federal Government may, by notification in the official Gazette, amend the Schedule so as to add any entry thereto, modify or omit any entry therein.”

10. The <sup>1</sup>(appropriate Government) may, by notification in the official Gazette, make rules for carrying out the purposes of this Ordinance. Power to make rules

## “THE SCHEDULE

[See section 9A]

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

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<sup>i</sup> \*\* Amended vide Finance Bill, 2006.