

No. 795

**INDIA
and
PAKISTAN**

**Agreement on banking (with annexes). Signed at Lahore,
on 23 April 1949**

Official text : English.

Registered by India on 10 May 1950.

**INDE
et
PAKISTAN**

**Accord sur les opérations bancaires (avec annexes). Signé à
Lahore, le 23 avril 1949**

Texte officiel anglais.

Enregistré par l'Inde le 10 mai 1950.

No. 795. AGREEMENT¹ ON BANKING BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF PAKISTAN. SIGNED AT LAHORE, ON 23 APRIL 1949

PART I — COMMERCIAL BANKS

SECTION I — COMPLAINTS REGARDING THE TRANSFER AND DELAY IN PAYMENT OF MUSLIM ACCOUNTS

1. It was agreed as follows :—

(a) In the case of banks functioning in both or either of the Dominions, if any Muslim accounts have been transferred from West Pakistan to India without application from the depositors, such accounts should be re-transferred to Western Pakistan to a branch of the same bank or if the bank has no branch, action will be taken as in (c) below.

(b) In the case of banks which are functioning in East Punjab and East Punjab States and have also branches in West Pakistan, the accounts of all Muslim depositors in East Punjab and East Punjab States should be transferred to their branches in West Pakistan, except in the following cases :—

- (i) Where the accounts have been in operation in East Punjab and East Punjab States after 31.12.47 and no request for the transfer of the account has been received.
- (ii) Where a specific request for the retention of the account in East Punjab and East Punjab States has been received.

In order to remove the possibility of any objection from depositors against the transfer of their accounts, it was agreed that the bank concerned will immediately advertise the proposed transfer of all Muslim accounts and invite the depositors to inform the banks within a period of one month if they have any objection to the transfer of their accounts to Pakistan. All Muslim accounts to be transferred should be transferred by 30.6.49 as far as possible.

¹ Came into force on 10 May 1949, with retroactive effect as from 23 April 1949, by the exchange of the instruments of ratification.

(c) Lists of Muslim accounts with banks functioning in East Punjab and East Punjab States, which have no office in West Pakistan, should be kept with a bank in West Pakistan to be specified for the purpose and arrangements should be made with that bank for payment of such deposits in Pakistan on receipt of applications from the depositors.

(d) Muslim accounts with banks in India but outside East Punjab and East Punjab States will be transferred to a branch of the bank concerned in Pakistan on simple application from the depositor, leaving the detailed formalities, if any, to be complied with in Pakistan before payment is made. Such applications should preferably be made through the branch of the bank in West Pakistan.

(e) The arrangements set out in sub-paras (a), (b), (c) and (d) will not apply to Banks under a scheme of arrangement.

2. *Banks under schemes of arrangements*

Banks under a scheme of arrangement in one Dominion should also apply to a High Court of the other Dominion for sanction of a scheme of arrangement for creditors in the other Dominion.

3. *Indemnity Bonds*

As in the case of succession certificates, the desirability of entering into some mutual arrangement whereby in cases of loss of fixed deposits, cheque books and pass books, indemnity bonds obtained or executed, in one Dominion, are accepted in the other Dominion was recognised and it was agreed that the legal implications will be examined by the two Governments.

4. *Inactive Accounts*

It was agreed that it was desirable that the banks in both the Dominion particularly in the "evacuee areas", should notify the names and addresses of those depositors who have not operated their accounts from 31.12.47 to 31.3.49, to the Central Banks of the respective Dominions. The information so collected by the Central Banks will be exchanged between them to facilitate the tracing of constituents or their successors and the disposal of the balances. The Central Banks of the two Dominions will examine this further and work out a detailed scheme for the exchange of this information.

SECTION II — COMPLAINTS OF BANKS

5. The Pakistan representatives agreed to examine the complaints of the banks in regard to orders issued by the West Punjab Government requiring the payment of security deposits of contractors to the C.M.A., Lahore Cantonment.

6. *Grant of permits to bank staff for a minimum period of one year :*

It was agreed that the Pakistan Government will consider the grant of permits to bank staff permanently stationed in West Pakistan and certain specified officers of the head office for a period of one year at a time, the permits to cover the whole of West Pakistan wherever necessary.

7. *Removal of bank records and remittance of surplus Funds :*

It was agreed that if banks which are not functioning in Pakistan normally, deposit an amount equal to their outstanding liabilities in West Pakistan, they should be permitted to remove their account books and to remit surplus funds provided certified copies of accounts in respect of outstanding liabilities are kept in Pakistan so long as they are outstanding. Vouchers etc. pertaining wholly to accounts in Pakistan will not be removed if arrangements can be made by the State Bank of Pakistan for their custody.

The amount of the deposit to be retained in Pakistan will be verified by the State Bank and the deposits will be made in favour of a bank approved by the State Bank.

NOTE : The outstanding liabilities in the case of a bank under a scheme of arrangement, mean liabilities outstanding in terms of the scheme sanctioned by a High Court in Pakistan.

It was agreed that similar arrangements will be made in the case of the Indian Branches of the Australasia Bank.

8. (a) Non-payment to banks of sale proceeds of goods hypothecated to them but requisitioned or sold by Provincial Governments in Pakistan.

(b) Requirement that suits should be filed before goods pledged to banks can be sold by them.

(c) Requirement that the sale proceeds of goods mortgaged with banks should on realisation by the banks be handed over to the Custodian of Evacuee Property.

The position as it emerged out of the discussions is as follows :—

(i) In the case of pledged stocks, i.e. stocks pledged with possession with banks functioning in Pakistan (Possession by the bank not necessarily implying that the stocks are in premises belonging to or leased by the bank), the banks can sell the stocks and deposit with the Custodian only the surplus sale proceeds. Functioning banks will include those which have schemes of arrangement sanctioned for Western Pakistan and are actually working there.

India representatives raised the question that the surplus sale proceeds should be treated as bank deposits and credit directly to the evacuee's account at the banks. It was pointed out by Pakistan representatives that the question was really of academic interest as in most cases the banks' claims exceed the value of the pledge stocks, but promised to consider the suggestion.

(ii) In the case of hypothecated stocks, although the entire sale proceeds had to be deposited with the Custodian and the banks have to register their claims with him, the Custodian is allowing exemptions from this requirement to banks which have been complying with the orders regarding the submission of returns etc. and the exempted banks enjoy the same facilities as in (i) above. The banks should, therefore, represent their cases individually to the Custodian and on his admitting the claim, they will be entitled to adjust their dues against the sale proceeds as in the case of (i) above.

(iii) No suits are required to be filed in courts in regard to stocks pledged or hypothecated, the Custodian himself finally admitting the claims.

(iv) A recommendation has been made to the two Governments by the Inter-Dominion Commission on Evacuee Property that in the case of mortgages of immovable property also, suits will not be required to be filed in civil courts and that the claims will be registered and admitted by the Custodian on production of mortgage deeds and such other evidence as may be required in any particular case.

(v) As a further concession to scheduled banks the Inter-Dominion Commission on Evacuee Property have recommended that the Custodian should register claims in respect of unsecured debts incurred by the evacuees with the banks on proof of the debts supported by an acknowledgment from the debtor. The Custodian will also be prepared to register claims

against other property where the stocks or other pledged security disappeared without requiring acknowledgment from the debtor.

Scheduled banks for this purpose will mean all banks included in the Reserve Bank schedule at the date of partition.

(vi) In all cases where the claims have been admitted by the Custodian, banks will not be required by the Custodian to file suits and obtain decrees from the civil courts and no evacuee debtor against whom a claim is admitted by the Custodian will be allowed to sell or exchange property until the admitted claims are first cleared; provided that in the case of those banks which are not functioning in Pakistan though they may have got schemes for payment to their Pakistan constituents sanctioned by competent authority, the form which clearance of the banks' claims should take, would be decided by the Custodian. Cases of difficulty may be referred to the Inter-Dominion Commission on Evacuee Property.

(vii) Banks should get their claims admitted by the Custodian in respect of pledged or hypothecated stocks alleged to have been taken over by Government and similarly in respect of factories allotted by Government. The banks will produce such evidence as is available to them about the disposal of such stocks. The Custodian will also make enquiries as to where the goods have gone etc. and will arrange payment when it is found that Government have, in fact, taken over the stocks. It is understood that the Custodian has already asked the West Punjab Government for information about the stocks taken over by them, and will claim sale proceeds or compensation in all such cases from that Government. He explained that he would endeavour to correlate this information with the banks' claim and where he can link up the information received from the two parties, will not insist on the banks proving that the West Punjab Government had taken over the stocks.

(viii) The posting of the Custodian's nominees with banks is not at all compulsory and the banks are entirely free to have them withdrawn.

(ix) Goods pledged with the banks which are not saleable in Pakistan will be permitted to be removed by the Custodian after ascertaining from the Rehabilitation Commissioner that he does not want to take over the goods on payment. This would of course be subject to export and import

restrictions in force for the time being. After sale the bank will render accounts to the Custodian and it should be understood that this does not absolve the bank from proving its claim before the Custodian.

SECTION III

9. Difficulties of the Imperial Bank regarding transfer of certain categories of accounts.

(a) *Teachers Provident Fund Accounts*: It was stated that no ban had been imposed on the transfer of provident fund accounts of the evacuee teachers.

(b) *Minors' Accounts*: The question was separately under the consideration of the Inter-Dominion Commission in Evacuee Property and its recommendations would cover the points at issue.

(c) *Accounts of Companies, Private Firms and Clubs*: The West Punjab Government will examine the point raised and communicate its decision urgently. There should ordinarily be no difficulty in transferring the accounts of institutions which have wholly evacuated and have no liabilities in Pakistan.

SECTION IV

10. *Establishment of an agency to watch the implementation of decisions*:

It was agreed that the two Governments should nominate two representatives from each side to watch the implementation of the decisions taken.

(Signed) Abdul QADIR

(Signed) P. C. BHATTACHARYYA
23.4.49

PART II

CO-OPERATIVE INSTITUTIONS

1. *Co-operative institutions in the East and West Punjab including the Punjab States now merged in the East Punjab and Delhi*

In pursuance of the discussions which took place between the representatives of the Government of East Punjab and West Punjab in the three meetings held on 15th March, 1948, 2nd April, 1948 and 27th May 1948,

the minutes whereof are attached as Annexures I, II and III to this agreement, the following agreement was reached :—

(a) The Government of East Punjab will take steps for the removal of the “ stops ” recorded against the securities belonging to the Punjab Provincial Co-operative Bank Ltd. Lahore, or other Co-operative Institutions of West Punjab and N.W.F.P., the orders to take effect on receipt by the Reserve Bank of India, Delhi, of the securities of the face value of Rs.1,04,65,500 mentioned in (b) below.

(b) Against the net sum of Rs.2,26 lakhs odd arrived at by the Registrars of the two Provinces as payable to East Punjab the Punjab Provincial Co-operative Bank Ltd. Lahore will hand over to the Reserve Bank of India, Delhi, duly endorsed in favour of the Ambala Central Co-operative Bank Ltd. Ambala, securities of the face value of Rs.1,04,65,500 deposited with them by the co-operative institutions now located in the East Punjab and in addition securities of the face value of Rs.41,00,000 now agreed to be made available to the East Punjab, and the balance will be kept back by the Punjab Provincial Co-operative Bank Ltd. Lahore, pending the final adjustment of unverified claims and the drawing up of the final balance-sheet as in (c) below.

The East Punjab Government will first arrange that the Punjab Provincial Co-operative Bank Ltd. Lahore gets the necessary authority for transferring the securities of the face value of Rs.1,04,65,500 mentioned above.

Securities of the face value of Rs.41,00,000 mentioned above will be delivered duly endorsed to the Reserve Bank of India, Delhi, within three weeks of the receipt of intimation by the West Punjab Government of the removal of the “ stops ” as in (a) above and the vacation of the injunctions, whichever is later.

(c) The East Punjab Government will immediately on the receipt of securities of the face value of Rs.1,04,65,500 by the Reserve Bank of India, Delhi, as in (a) above take steps for the withdrawal of the pending suits relating to the title of the securities held by the Punjab Provincial Co-operative Bank Ltd. Lahore.

(d) The Registrars of Co-operative Societies of the East and West Punjab will take steps as soon as the transfer of securities mentioned in (b) above has been effected to issue the necessary authority to their respective Provincial Co-operative Banks to make payment of the deposits payable on account of the depositors who have migrated from the other Province.

(e) In order to facilitate the final settlement of the matter the two Registrars will immediately take steps to examine the unverified claims and complete the verified claims and complete the verification by the 31st August, 1949, and prepare a final balance-sheet together with a list of claims, if any, on which agreement could not be reached by them.

NOTE : Deposits of Muslims who have stayed on in Delhi Province and in the district of Gurgaon will not be transferred for payment in West Punjab.

2. *Co-operative Institutions in the Patiala and East Punjab States Union, the Alwar and Bharatpur States, Bilaspur, Himachal Pradesh, N.W.F.P., Khairpur and Bahawalpur and Delhi*

(a) It was agreed that the two Dominions should invite claims from displaced depositors. Wide publicity should be given in the Press inviting the claims. Claims should be invited to reach the Registrars of Co-operative Societies of West Punjab and East Punjab respectively by the 15th June, the necessary advertisements being issued by the two Dominion Governments by the 15th May 1949. These claims should then be listed by the receiving Registrar and passed on to the Registrar in the other Dominion for verification.

(b) The authorities of the States and Governments in India and Pakistan mentioned above should also prepare lists of Muslim and non-Muslim depositors respectively and these lists will be exchanged between the two said Registrars by the end of June 1949. Reasonable facilities will be provided for the inspection of records for verification of deposit accounts in both the Dominions.

(c) Steps should be taken to have the claims verified and settled by 31.8.1949, the payment to displaced depositors in both Dominions being arranged through the Registrar of Co-operative Societies, East Punjab, for those in India, and the Registrar of Co-operative Societies, West Punjab, for those in Pakistan.

3. *Shares held in co-operative institutions of all types in the Provinces and States mentioned in Sections 1 and 2*

It was agreed that data regarding shares held by displaced persons and institutions should be collected as in Section 2.

Arrangements should then be made for the purchase by the institutions concerned of the shares held by evacuee share-holders, at the face value, after adjusting any outstanding that may be due from the share-holder. It was agreed that necessary legal steps should be taken to enable the institutions to acquire the shares in the above manner.

4. The implementation of this agreement will be progressed by the Inter-Dominion Committee set up by the Inter-Dominion Conference of the 2nd April, 1949, for dealing with the East and West Punjab problems arising from partition matters but not covered by the partition Agreement. This Committee will associate the Registrars of East and West Punjab in the matter.

PART III

The decisions in Parts I and II are subject to ratification by the Dominion Governments. The ratification will be intimated to each other by the 10th May, 1949. The Agreement will be published on the 12th May, 1949.

(Signed) Abdul QADIR
23.4.49

(Signed) P. C. BHATTACHARYYA
23.4.49

ANNEXURE I

A conference between the representatives of the cooperative Departments of the West Punjab and the East Punjab was held at 10 A.M. on the 15th March, 1948, in the room of Mr. K. Headington and was attended by the following :

1. P. K. KAUL, Esq., ICS, Financial Commissioner, Development East Punjab.
2. M. R. SACHDEV Esq., ICS, Chief Secretary, East Punjab.
3. Ch. RAM SARUP, Registrar, Cooperative Societies, East Punjab.
4. R. S. RAM RATTAN, Chief Liaison Officer, East Punjab.
5. Mr. K. HEADINGTON, Banking Adviser, West Punjab.
6. K. B. Sh. FAZL-I-ILAH, Registrar, Cooperative Societies, West Punjab.
7. Syed ZAHUR HUSSAIN, Deputy Registrar, Cooperative Societies, West Punjab.

2. The following decisions were agreed to :

(1) All Government Securities belonging to East Punjab Cooperative Institutions and lodged with the Punjab Provincial Cooperative Bank, Ltd., Lahore, either for safe custody or for purpose of overdraft or for collection of interest will be transferred by the Punjab Provincial Cooperative Bank Ltd., Lahore before 31st March, 1948 to the depositor Banks concerned provided that the East Punjab Central Cooperative Banks concerned owing the Government Securities, pay up their liabilities, if any, to the Punjab Provincial Cooperative Bank, Ltd., Lahore and provided also that such institutions repay the deposits of their evacuee individual depositors, the evacuee individual depositors of their constituent societies, and societies whose membership consists entirely of Muslims, who have evacuated.

The Central Banks in the West Punjab will also repay the deposits of their individual evacuee depositors, the deposits of the Evacuee individuals of their constituent societies and of the societies which consisted wholly of non-Muslim evacuees.

(2) In order to execute the above decisions, two Registrars should immediately exchange lists of deposits and have the balance adjusted before the 31st March, 1948.

(3) In the case of primary societies of which the membership is mixed, no division of assets will be undertaken, but it is understood that deposits of individuals of such societies who have evacuated will be repaid before the 31st March, 1948.

(4) In the case of societies whose membership consisted entirely of evacuees, all assets will be transferred to the dominion to which the evacuees have migrated and the Registrar concerned will register necessary amendment in their bylaws making such change of address permissible.

(5) The debts owed by the societies, which as a result of partition, have now gone over to the other dominion will be paid to the creditor Central Bank by the Provincial Bank of the dominion concerned by adjustment or otherwise as may be agreed to by both the Registrars.

(6) The amounts paid by the Industrial Societies (now in Pakistan) in the advertisement fund of the Amritsar Industrial Bank will be paid back by the Industrial Bank to the Punjab Provincial Bank, Lahore.

(7) All amounts received by the Industrial Cooperative Bank, Amritsar, on account of war supply orders will be adjusted or paid by the Industrial Bank to the Societies concerned as may be settled by the two Registrars.

(8) All amounts belonging to employees of Cooperative institutions by way of salary, provident fund, security deposits, etc., will be repaid by institutions of both the dominions through their respective Provincial Banks before the 31st March, 1948.

(9) The question of the division of assets of :—

- (i) Punjab Provincial Cooperative Bank Ltd., Lahore,
- (ii) Punjab Cooperative Union, Lahore,
- (iii) North Western Railway Coop. Society, Lahore,
- (iv) Industrial Cooperative Bank, Amritsar

was considered, but it was pointed out that since the matter was before the Arbitral Tribunal it could not be discussed being *sub-judice*.

(10) All decisions arrived at will be implemented by the Governments of the West Punjab and the East Punjab.

(11) It is recommended that the date 31 March, 1948 may be extended to 30th April, 1948 in regard to all the decisions referred to above. It is essential that the two dominions extend the date of the enfacement of securities for payment of interest to 30th April, 1948.

(12) Shares and interest of members of Transport Societies and Ex-Soldiers' Goods Transport Societies will be transferred to the dominion concerned. The Registrars will arrange this.

(Signed) K. HEADINGTON
Banking Adviser, West Punjab
Government

(Signed) O. K. KAUL
Financial Commissioner
Development, East Punjab

FAZL-I-ILAHI
Registrar (West Punjab)

RAM SARUP
Registrar (East Punjab)

J. W. HEARN
Financial Commissioner
Development, West Punjab

ANNEXURE II

In order to implement the decisions arrived at between the representatives of the Cooperative Societies Departments of the West Punjab and the East Punjab held on 15th of March 1948, the following action may be taken :

(a) The Ambala Central Cooperative Bank will secure necessary authorities from the institutions in the East Punjab whose securities are lodged with the Punjab Provincial Coop. Bank Ltd. Lahore in order that the latter institution may transfer those securities which are due to be sent to the East Punjab institutions, to the Ambala Central Cooperative Bank Ltd., which is to serve as Provincial Bank for the East Punjab.

(b) The Central Banks, Unions and other Cooperative Societies in East Punjab will give necessary power to the Ambala Central Cooperative Bank Ltd.,

to authorise the Punjab Provincial Cooperative Bank Ltd., Lahore to repay the deposits of the Muslims in these institutions. The same kind of power will be obtained by the Punjab Provincial Cooperative Bank from similar institutions in the West Punjab in order to repay the deposits of the non-Muslim depositors with these institutions, through the Ambala Central Cooperative Bank.

(c) In order to verify the deposits, the deposit accounts together with the loan accounts issued on the security of deposits and pronotes will be brought to Lahore for check. Such books of those institutions which have already been checked need not be brought again.

(d) As it will not be possible to bring the books of the primary societies for verification, the Registrars on each side will have lists of Muslim depositors in the East Punjab and of non-Muslim depositors in the West Punjab prepared through their staff and attested under their own signatures after they have satisfied themselves with regard to the accuracy of these lists and bring to Lahore.

(e) All the lists of the depositors and the registers will be brought to Lahore by both the Registrars on 10th of May, 1948.

(f) After the lists have been verified and necessary authorities for their return to the depositors concerned delivered, the balance of the securities and deposits left will be made over by the Punjab Provincial Cooperative Bank to the Registrar, East Punjab for conveying to the Ambala Central Coop. Bank.

(g) By depositors in the above clause is meant the deposits of evacuee individual depositors, the evacuee's deposits of their constituent societies and societies whose membership consists entirely of Muslims or non-Muslims, as the case may be, who have evacuated.

(h) Since it is reciprocal, the Registrars agree that such societies should be considered « entirely » Muslim societies whose membership consists of 90 per cent Muslims or the deposits of which societies in the central institutions are contributed by Muslims to the extent of 90 per cent. The same definition will apply to the « entirely » non-Muslim societies in the West Punjab. The Registrars will decide and furnish lists of such societies with their deposits under their signatures after satisfying themselves with regard to the accuracy of information supplied with regard to each society. The words "wholly of non-Muslim evacuees" in para. 2 of clause (i) will also be considered to have the same meanings as "societies consisting entirely of non-Muslims".

2. Since the execution of the decisions could not be done up to 31.3.1948, the work involved was heavy and could not be completed during the Easter Holidays for which days only the banks could spare their books, the extension of time has had to be done. The Registrars will get sufficient staff at Lahore on 10th May, 1948 in order that the work gets completed as soon as possible.

3. As suggested under para. 1, lists of deposits of individuals in the primary societies will be brought duly attested by the Registrars on 10.5.1948 and the deposits will be repaid after 10.5.1948.

4. The phrase « consisted entirely of evacuees » will be taken in its literal sense in this clause, because this clause deals with the division of assets. The Registrars of each side will have a list prepared of societies which consisted entirely of evacuees together with their assets and attest the same under their signatures after satisfying as to their accuracy. When the lists of societies are prepared they will be transferred from the registers of one Registrar to that of the other and their assets will also be transferred to the other dominion. The Registrars concerned may then undertake necessary amendments of the bylaws of these societies, making a change of address.

5. A list of the societies which as a result of partition have now gone over to the other dominion may be prepared by the Registrar of each dominion concerned together with the amount of loan due by each such society to the Central institutions which will be attested by the Registrars under their signatures after satisfying themselves with regard to the accuracy of each such list. The transfer of the liabilities will be done by adjustment of the balance due by societies in one dominion to the other by transferring the balance due from the dominion from which it is due to the other.

6. A list of the amounts due by the Amritsar Industrial Cooperative Bank received by it in the accounts of the Industrial Cooperative Societies in the advertisement fund now in West Punjab will be prepared and signed by the Registrar, East Punjab, after satisfying himself with regard to the accuracy of this list. The accounts due by the Amritsar Industrial Cooperative Bank will be paid to the Punjab Provincial Cooperative Bank, Limited, Lahore by adjustment. The Amritsar Industrial Cooperative Bank will give necessary powers to the Ambala Central Cooperative Bank to authorise the Provincial Cooperative Bank, Lahore to make necessary adjustment of the balance that is to be transferred from the Provincial Cooperative Bank, Lahore to the Ambala Central Cooperative Bank.

7. A list of amounts received by the Industrial Cooperative Bank, Amritsar on account of War Supply Orders will be prepared and attested by the Registrar with regard to its accuracy. The amounts due by the Industrial Cooperative Bank Amritsar to the societies in West Punjab after recovering its dues will be paid to the Provincial Cooperative Bank, Ltd., Lahore by adjustment.

The procedure followed will be as mentioned in clause (6) above.

8. The necessary authority will be obtained by the Registrars concerned for the transfer of the salaries, Provident Fund, Security Deposits, etc., of the employees of the Cooperative Institutions. Lists of all such amounts due will be prepared and attested by the Registrars concerned pertaining to each such

institution after satisfying as to the accuracy of such lists. The adjustment of amounts will be done according to the procedure laid down in clause (6).

(9), (10) and (11) require no action by the Registrars.

(12) A list of shares and interests of members of Transport Societies and ex-soldiers' transport societies will be prepared and signed by the Registrars concerned after satisfying themselves about the accuracy of such lists. The transfer of such shares and interest will be undertaken through the Provincial Banks of each Dominion according to the procedure laid down in clause (6).

All lists mentioned in the above clause will be brought by the Registrars to Lahore on 10.5.48.

Interest on all kinds of deposits will be paid up to 29.2.48 at the stipulated rates by the institutions concerned.

(Signed) FAZL-I-ILAHI
Registrar, West Pb.
2.4.48

(Signed) RAM SARUP
Registrar, East Pb.
2.4.48

ANNEXURE III

PROCEEDINGS OF A MEETING HELD IN THE OFFICE ROOM OF THE FINANCIAL COMMISSIONER, DEVELOPMENT, WEST PUNJAB, LAHORE, ON THE 27TH MAY, 1948

Present :

Mr. J. W. HEARN, CSI., CIE.,
Financial Commissioner, Development, West Punjab.
Mr. P. K. KAUL, ICS.,
Financial Commissioner, Development, East Punjab.
Mr. ZAHUR HUSSAIN,
Deputy Registrar, Cooperative Societies, West Punjab.

Ch. RAM SARUP,
Registrar, Cooperative Societies, East Punjab.
Mr. K. Headington, CBE.,
Banking Adviser to Govt., West Punjab.

1. It was decided that the question of the division of assets of the

- (i) Punjab Provincial Cooperative Bank Ltd., Lahore;
- (ii) Punjab Cooperative Union, Lahore;
- (iii) North Western Railway Cooperative Society, Lahore; and
- (iv) Industrial Cooperative Bank, Amritsar

should be considered by both departments and both Governments with special reference to the method, if any, by which the assets of evacuees could be paid to those evacuees. At the same time the possibility of a division of the assets and owned funds of these institutions may be investigated. The views of each Government would be communicated to the other at the earliest possible time, but not later than the middle of June 1948, and the differences, if there are any, would be considered at a subsequent meeting to be held in Simla.

2. The two Registrars would with immediate effect draw a deadline on which the balance-sheet showing the claims and counter-claims between the East Punjab and the West Punjab Cooperative Departments should be drawn up in terms of the agreement arrived at between the two Governments in the first meeting. After that date it will then be necessary only to consider the outstanding and presumably comparatively minor items.

3. If, as is probable, the West Punjab Cooperative Department will have to pay to the East Punjab Cooperative Department after the drawing up of the balance-sheet, then the West Punjab Cooperative Department will be entitled to keep sufficient margin to cover outstanding items and the remainder, subject to orders of Government, will be paid.

(Signed) P. K. KAUL
Financial Commissioner
Development, East Punjab
27.5.1948

(Signed) J. W. HEARN
Financial Commissioner
Development, West Punjab
27.5.1948