

ACT No. XXXIX OF 1926.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 9th September, 1926.)

An Act further to amend the Provincial Insolvency Act, 1920, for certain purposes.

20. **W**HEREAS it is expedient further to amend the Provincial Insolvency Act, 1920, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. This Act may be called the Provincial Insolvency Short title.
(Amendment) Act, 1926.

20. 2. In sub-section (3) of section 33 of the Provincial Insolvency Act, 1920 (hereinafter referred to as the said Act), for the word "insolvent", where it occurs for the last time, the word "receiver" shall be substituted. Amendment of section 33, Act V of 1920.

3. After section 54 of the said Act the following section shall be inserted, namely:— Insertion of new section 54A in Act V of 1920.

"54A. A petition for the annulment of any transfer under section 53, or of any transfer, payment, obligation or judicial proceeding under section 54, may be made by the receiver or, with the leave of the Court, by any creditor who has proved his debt and who satisfies the Court that the receiver has been requested and has refused to make such petition." By whom petitions for annulment may be made.

4. After section 59 of the said Act the following section shall be inserted, namely:— Insertion of new section 59A in Act V of 1920.

"59A. (1) The Court, if specially empowered in this behalf by an order of the Local Government, or any officer of the Court so empowered by a like order, may, on the application of the receiver or any creditor who has proved his debt, at any time after an order of adjudication has been made, summon before it in the prescribed manner any person known or suspected Power to require information regarding insolvent's property.

Provincial Insolvency (Amendment). [ACT XXXIX OF 1926.]

suspected to have in his possession any property belonging to the insolvent, or supposed to be indebted to the insolvent, or any person whom the Court or such officer, as the case may be, may deem capable of giving information respecting the insolvent or his dealings or property, and the Court or such officer may require any such person to produce any documents in his custody or power relating to the insolvent or to his dealings or property.

(2) If any person so summoned, after having been tendered a reasonable sum, refuses to come before the Court or such officer at the time appointed, or refuses to produce any such document, having no lawful impediment made known to and allowed by the Court or such officer, the Court or such officer may, by warrant, cause him to be apprehended and brought up for examination.

(3) The Court or such officer may examine any person so brought before it or him concerning the insolvent, his dealings or property, and such person may be represented by a legal practitioner ”.

Insertion of
new section
67A in Act V
of 1920.
Committee of
Inspection.

5. After section 67 of the said Act the following section shall be inserted, namely:—

“ 67A. (1) The Court may, if it thinks fit, authorise the creditors who have proved their debts to appoint a committee of inspection for the purpose of superintending the administration of the insolvent’s property by the receiver.

(2) The persons appointed to a committee of inspection shall be creditors who have proved their debts or persons holding general powers-of-attorney from such creditors.

(3) The committee of inspection shall have such powers of control over the proceedings of the receiver as may be prescribed.”

Amendment of
section 79, Act
V of 1920.

6. In sub-section (2) of section 79 of the said Act, the word “ and ” at the end of clause (c) shall be omitted, and after clause (d) the following clause shall be added, namely:—

“ and

(e) for any matter which is to be or may be prescribed ”.

Amendment of
section 80, Act
V of 1920.

7. In sub-section (1) of section 80 of the said Act, clauses (a), (c) and (d) shall be omitted.