

**THE
STATE BANK OF PAKISTAN**

NOTIFICATION

No. S.R.O. 495 (K)/63

Karachi the 25th June, 1963.

In exercise of the powers conferred by clause (q) of sub-section (2) of section 54 of the State Bank of Pakistan Act, 1956 (XXXIII of 1956), and with the previous approval of the central Government, the Central Board of Directors of the State Bank of Pakistan makes the following regulations prescribing the circumstances in, and the conditions and limitations subject to which, the value of any lost, stolen, mutilated or imperfect note may be refunded as of grace.

1. These regulations may be called the State Bank of Pakistan (Note Refund) Regulations, 1963.

Short Title.

2. These regulations shall come into force on such date as the State Bank of Pakistan may, by notification in the official Gazette, appoint.

Date of enforcement.

3. In these regulations, unless there is any thing repugnant in the subject or context.

Definition.

- (a) "altered note" means a note in which an alteration has been made in the number, date, signature or value or in any other respect;
- (b) "Bank" means the State Bank of Pakistan constituted by the State Bank of Pakistan Act, 1956 (XXXIII of 1956);

- (c) "half note" means a half of a note which has been divided vertically through or near the centre;
- (d) "mismatched note" means an imperfect note formed by joining a half note of one note to a half note of another note;
- (e) "mutilated note" means a note of which a portion is missing;

Provided that the portion presented is clearly more than a half note and that if the portion presented consists of parts of a note joined together, each part of such portion is identifiable as part of the same note;

- (f) "note" means a note of the State Bank of Pakistan including a currency note of the Government of Pakistan issued either by the Government of Pakistan or by the Bank;
- (g) "number" includes the letters of the series to which the note belongs;
- (h) "obliterated note" means a note, not being a mutilated or altered note, of which a portion has become or has been rendered undecipherable;
- (i) "office of issue" means the office of the Issue Department of the Bank at Karachi, Lahore, Peshawar and Dacca;
- (j) "prescribed officer" means the office-in-charge of an office of Issue and where there is no office of Issue, any officer to whom the duties of a prescribed officer are assigned.

Presentation of Claims

4. A claim in respect of a note may be presented at any office of Issue or at any other office of the Bank where there is an officer to whom the duties of a prescribed officer are assigned, and may be dealt with by the prescribed officer.

Time limit to claims.

5. If it appears to the prescribed officer authorised to entertain the claim that any claim was not made by the claimant within 12 months of the time when it might first have been made by him the prescribed officer shall not entertain the claim.

Value limit to claims.

6. (1) No claim in respect of a note alleged to have been lost, stolen or wholly destroyed, or of which the portion presented is neither a half

note nor a mutilated note, shall be entertained unless the denomination of the note exceeds hundred rupees.

(2) No claim in respect of a half note or a mismatched note shall be entertained unless such a half note or one of the half notes comprising the mismatched note is part of a note of which the denomination exceeds hundred rupees.

7. If the prescribed officer is of the opinion that a note or any portion of a note presented under these regulations in prosecution of a claim has been deliberately cut, torn, defaced, altered or dealt with in any manner with a view to establishing a false claim under these regulations or otherwise to defraud, he shall, notwithstanding anything to the contrary in any of these regulations, reject the claim.

**Disposal of
Fraudulent
Claims.**

8. (1) Where any claim is made under these regulations the prescribed officer authorised to entertain the claim shall hold an enquiry unless the claim relates to a note alleged to have been stolen, in which case he may reject the claim without holding any enquiry.

**Enquiry into
Claims.**

(2) If in the course of the enquiry referred to in sub-regulation (1) the claimant fails without reasonable cause in the opinion of the prescribed officer to furnish within three months any information called for by the prescribed officer, the prescribed officer may reject the claim.

9. A claim for the value of a half note shall be rejected unless the number of the note is identified by the prescribed officer on the half note and the half note is entire and has not been divided and rejoined.

**Rejection of
claim concern-
ing half note.**

10. A claim for the value of a mutilated note of a denomination not exceeding hundred rupees shall be rejected unless in the opinion of the prescribed officer the portion presented clearly forms part of a genuine note and the missing portion is too small to be used in support of any other claim under these regulations.

**Rejection of
claim concern-
ing mutila-
ted note of
hundred rupees
and under.**

11. (1) A claim for the value of a mutilated note of a denomination exceeding hundred rupees shall be rejected unless the number of the note on examination is identified with certainty by the prescribed officer as one of not more than six numbers;

**Rejection
of claim
concerning
mutilated
note of more
than hundred
rupees.**

Provided that, if the number of the note though not capable of such identification is declared by the claimant, the claim shall be dealt with under regulations 15 and 17 as a claim to the value of a wholly destroyed note.

Provided further that, where the claimant is unable to declare the number and if the prescribed officer is of opinion that the number may be identified with certainty within a reasonable period, he may permit the claimant to leave the note in deposit with a view to future identification.

(2) Where a claim is rejected under sub-regulation (1) the note shall be stamped by the prescribed officer and returned to the claimant.

(3) If a mutilated note of a denomination exceeding hundred rupees has been identified with certainty by the prescribed officer as one of not more than six numbers he may order the claim to be paid at once.

Deposit of mutilated notes

12. (1) The prescribed officer shall enter the particulars of any mutilated note placed in deposit under the second proviso to sub-regulation (1) of regulation 11 in a register to be maintained in this behalf and shall give a receipt to the claimant for such note.

(2) Where the number of a note so placed in deposit is not identified within a period of three years to the extent specified in sub-regulation (1) of Regulation 11 the claim shall be rejected and the note shall be stamped and returned to the claimant or, if the claimant cannot be found, shall be destroyed.

Disposal of claims concerning half notes.

13. (1) A claim for half the value of a note of which a half note only is presented by the claimant shall be dealt with as follows:—

(a) If a counter-claim for the full value of the note has not been received at the office of issue before the presentation of the claim or within a period of fourteen working days thereafter, half the value of the note may be paid to the claimant on the expiration of such period.

(b) If the full value of the note has already been paid on a claim under regulation 16, the claim shall be rejected.

(c) If a counter-claim for the full value of the note has been received before the presentation of the claim or is received before payment of half the value of the note is made under clause (a), the prescribed officer may order that one claimant be paid forthwith the full value of the note or that one or both claimants be paid forthwith half the value of the note or that both claims be rejected.

(2) Claims in respect of a mismatched note shall be deemed to be

separate claims in respect of each half note thereof and shall be dealt with as provided in sub-regulation(1).

14. A claim in respect of an obliterated or altered note or half note shall be rejected unless the prescribed officer is satisfied as to the identity of such note or half note and that the note or half note has not been fraudulently altered so as to appear to be of a higher denomination.

**Obliterated
and altered
notes.**

15. (1) A claim for the full value of a note:—

**Method of
presenting
certain
claims.**

(a) where a half note only is presented by the claimant, or

(b) Where the note is alleged to have been lost or wholly destroyed, or where the portion of the note presented is neither a half note nor a mutilated note, shall be accompanied by a signed statement (or if the prescribed officer so requires, an affidavit) asserting that the claimant was the last lawful holder of the entire note and detailing the circumstances attending the loss or destruction of the missing half note or note as the case may be, and by a statement obtained from the police or postal authorities of the result of the enquiry, if any, held by them.

(2) The prescribed officer shall consider the statements furnished and the affidavit, if any and shall make such further enquiry, if any as he may consider necessary.

16. (1) where a claim is made under clause (a) of sub-regulation (1) of regulation 15 and a counter-claim has been presented in respect of the counter-part of the half note:—

**Disposal of
claims under
Regulation
15 (1) (a).**

(a) if the full value of the note has been paid, the claim shall be rejected;

(b) if half the value of the note has been paid, the prescribed officer may order half the value of the note to be paid to the claimant forthwith;

(c) if the counter-claim is pending, the prescribed officer may order that each claimant be paid forthwith half the value of the note or that both claims be rejected.

(2) Where a claim is made under clause (a) of sub-regulation (1) of regulation 15 and the counterpart of the half note has not been presented:—

(a) if the prescribed officer is not satisfied that the counterpart of the half note has been lost or destroyed in such circumstances that

there is no probability of its being presented at some future date, he may order payment of half the value of the note forthwith;

- (b) if he is so satisfied and is also satisfied that the claimant was the last lawful holder of the whole note he shall cause to be published in the Gazette of Pakistan and in three successive issues of the Local Official Gazette a notification setting forth the particulars of the note of which one half is alleged to have been lost or destroyed and the name of the claimant and calling upon any person having any claim in respect of such note to submit the claim forthwith;
- (c) if on the expiration of two years from the date of the first publication under clause (b) the counterpart of the half note has not been presented he may invest in Government securities, or deposit in the Post Office Savings Bank an amount equivalent to the full value of the note;
- (d) if on the expiration of a period which shall be determined by him but which unless the Central Board otherwise directs shall not be less than five years from the date of the first publication referred to in clause (b) the counterpart of the half note has not been presented, he shall deliver the securities or deposit referred to in clause (c) with any interest which has in the meantime accumulated thereon to the claimant, or if the claimant is dead to his legal representative, on such claimant or representative, executing a bond with or without sureties in the form set forth in Schedule I or II;
- (e) if before the expiration of such period the counterpart is presented with a claim for the full value or for half the value of the note, the proceedings under clauses (b), (c) and (d) shall be cancelled and the two claims shall be dealt with under sub-regulation (1).

17. Where a claim is made under clause (b) of sub-regulation (1) of regulation 15 :-

- (a) if the prescribed officer is not satisfied that the note or the unrepresented portion of the note has been wholly destroyed or lost in such circumstances that there is no probability of its being presented at some future date, he shall reject the claim;
- (b) if the prescribed officer is so satisfied and is also satisfied that the claimant was the last lawful holder of the note, he shall cause to be published in the Gazette of Pakistan and in three successive issues of the local official Gazette a notification setting forth the particulars

Disposal of
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Regulation
15 (1) (b).

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of the note alleged to have been lost or destroyed and the name of the claimant and calling upon any person having any claim in respect of such note to submit the claim forthwith;

- (c) if on the expiration of two years from the date of the first publication under clause (b) the note has not been presented he may invest in Government securities or deposit in the Post Office Savings Bank an amount equivalent to the value of the note;
- (d) if on the expiration of a period which shall be determined by him but which unless the Central Board otherwise directs shall be not less than five years from the first publication referred to in clause (b) the note has not been presented and no subsequent claim in respect thereto has been substantiated he shall deliver the securities or deposit referred to in clause (c) with any interest which has in the meantime accumulated thereon to the claimant, or if the claimant is dead to his legal representative, on such claimant or representative executing a bond with or without sureties in the form set forth in Schedule III or IV;
- (e) if before the expiration of such period a subsequent claim in respect of the note is substantiated the securities or deposit referred to in clause (d) shall be delivered in the manner provided in that clause to the person making such subsequent claim, or if such person is dead, to his legal representative;
- (f) if before the expiration of such period the note alleged to have been lost or destroyed is produced by the claimant or any other person, the proceedings under this regulation in respect of such note shall be cancelled.

18. Printed forms, to be supplied by the Bank, shall be used in the execution of any bond required in pursuance of clause (d) of regulation 16 or clause (d) of regulation 17 and the value of the stamp on any such bond shall be recovered from the person executing the bond.

Bonds.

19. (1) Save as otherwise provided in regulation 11 and regulation 12, any note presented in prosecution of a claim shall be retained by the Bank whatever be the decision on the claim and may be destroyed or otherwise disposed of by the Bank in such manner as it may deem fit.

**Retention and
destruction
of notes.**

Provided that a note, a claim in respect of which has been rejected by the prescribed officer, shall not be destroyed or otherwise disposed of until the expiry of six months from the date of the decision of the prescribed officer.

(2) No request for reconsideration of a rejected claim in respect of a note presented under these regulations, shall be entertained after the expiry of the period of six months referred to in the proviso to sub-regulation (1).

Procedure when payee is untraced.

20. Where, as the result of a claim under these regulations, the value or part of the value of a note is payable to a claimant, and such claimant, or if he is dead, his legal representative, cannot be found or fails within a period of three months from the communication to him of the decision to take steps to receive payment, the amount payable shall be paid by the Issue Department of the Bank to the Banking Department of the Bank.

Repeal, etc.

21. (1) The State Bank of Pakistan (Note Refund) Regulations, 1948, are hereby repealed.

(2) Notwithstanding the repeal of the aforesaid Regulations, all claims in respect of one hundred rupee notes received by the prescribed officer prior to the coming into force of these regulations shall be dealt with in accordance with the aforesaid Regulations.

(S.A. Hasnie.)
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SCHEDULE I

HALF NOTE BOND WITH SURETIES

Know all men by these Presents that we* _____

*Principal's name in full and address and occupation.

*First Surety's name in full and address & occupation.

and* _____

*Second Surety's name in full and address & Occupation

_____ are jointly and severally held and firmly bound unto the State Bank of Pakistan constituted by the State Bank of Pakistan Act, 1956 (hereinafter called the "Bank") in the sum of Rs. _____ to be paid to the Bank their certain attorney successors or assigns for which payment well and truly to be made we hereby bind ourselves, our heirs, executors, administrators and representatives jointly and every two of us bind ourselves, our heirs, executors, administrators and representatives jointly and each of us binds himself, his heirs, executors, administrators and representatives

severally firmly by these presents sealed with our seals this _____

day of _____ in the Christian year one

thousand nine hundred and _____

WHEREAS the above bounden @ _____ @

Principal's name.

_____ claims that he is the lawful holder of the $\frac{\text{half}}{\text{halves}}$ of the following $\frac{\text{Note}}{\text{Notes}}$

_____ and that the other $\frac{\text{half belongs}}{\text{halves belong}}$ to him but that the same $\frac{\text{wholly destroyed}}{\text{lost}}$

Value and number of Note(s)

Principal's name.

AND WHEREAS the said _____

has applied to the Officer incharge of the Issue Department of the Bank at _____ (hereinafter called the "Officer") for payment of the amount of the said ^{Note} Notes _____

AND WHEREAS the said Officer for and on behalf of the Bank has

Principal's name.

acceded to the said application on the condition of the said _____

and two sufficient sureties executing such Bond as above-written and the

First Surety's name.

said _____

Second Surety's name.

_____ and _____

have accordingly as such sureties agreed to execute such Bond with such condition as hereunder is written. Now the condition of the above-written bond is such that if the above bounden _____

Name of Principal and Sureties.

_____ and _____

_____ and _____

and their heirs, executors, administrators or representatives shall repay to the Bank the above mentioned sum of Rs. _____

_____ on demand in the event of the said

Officer for the time being at _____

being at any time hereafter satisfied that the said _____

Principal's name.

_____ was not entitled to receive the above-mentioned sum then the above written bond shall be void and of no effect otherwise the same remains in full force and virtue.

Signed sealed and delivered by the above

named _____

in the presence of _____

Signature of first witness _____

Occupation and address of _____

Witness. _____

Signature of second witness _____

Occupation and address of witness _____

Signed, sealed and delivered by the above
named _____

in the presence of _____

Signature of first witness _____

Occupation and address of witness _____

Signature of second witness _____

Occupation and address of witness _____

**Principal's
Name.**

Signature of
Principal

**Principal's
Witnesses.**

Seal

1st Surety's Signature
Name of
1st Surety

**1st Surety's
witnesses.**

Signed sealed and delivered by the above
named _____
in the presence of _____

2nd Surety's
Signature
Name of 2nd Surety

Signature of first witness _____

Occupation and address of witness _____

Signature of second witness _____

Occupation and address of witness _____

2nd Surety's
witness.

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being

ENDORSEMENT

Order No. _____

dated the _____

Pay to _____

Signature of Principal _____

Executed in my presence this _____

day of _____

19 _____

Certified that the sureties are in my opinion fit to be accepted as such that they are aware of the terms of the Bond.

Dated _____ 19 _____

Collector.

Received from the Officer-in-Charge, Issue Department of the State Bank of Pakistan, the sum of rupees _____ only being the full value of the Notes mentioned in the bond.

Signature of Principal _____

SCHEDULE II

HALF NOTE BOND WITHOUT SURETIES

Claimant's name in full and address & occupation.

Know all men by these presents that I _____

_____ am held and firmly bound unto the State Bank of Pakistan constituted by the State Bank of Pakistan Act, 1956 (hereinafter called the "Bank") in the sum of Rs. _____ to be paid to the Bank their certain attorney successors or assigns for which payment well and truly to be made I hereby bind myself, my heirs, executors, administrators and representatives and every one of them firmly by these presents sealed with my seal this _____ day of _____ in the Christian year One thousand nine hundred and _____

Claimant's name.

WHEREAS the above bounden _____

claim that he is the lawful holder of the Half/Halves of the following Note/Notes.

_____ Value and number of Note(s)
Half belongs
and that the other _____ to him but that the same
Halves belong
wholly destroyed/lost.

Principal's name.

AND WHEREAS the said _____

has applied to the Officer-in-Charge of the Issue Department of the Bank at _____ (hereinafter called the "Officer") for payment of the amount of the said Note/Notes.

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Claimant's witness

AND WHEREAS the said Officer for and on behalf of the Bank has acceded to the said application on condition of the said

_____ executing such bond as above-written with such condition as hereunder is written. Now THE CONDITION of the above-written bond is such that if the above bounden

Claimant's name.

_____ and his heirs, executors, administrators or representatives shall repay to the Bank the above-mentioned sum of Rs. _____ on demand in the event of the said Officer for the time being at _____ being at any time hereafter satisfied that the said

Claimant's name.

_____ was not entitled to receive _____ the above mentioned sum then the above written bond shall be void and of no effect, otherwise the same shall remain in full force and virtue.

Claimant's name

Signed, sealed and delivered by the above named _____

Claimant's name.

_____ in the presence of _____

Signature of first witness _____

Signature of claimant.

Occupation and address of witness _____

Claimant's witness

Signature of second witness _____

Seal

Occupation and address of witness _____

ENDORSEMENT

Order No. _____ dated the _____

Pay to _____

Signature of claimant _____

Executed in my presence this _____ day of _____ 19 _____

Dated _____ 19 _____ Collector.

Received from the Officer-in-Charge, Issue Department of the State Bank of Pakistan, the sum of rupees _____ only being the full value of the Notes mentioned in the bond.

Signature of Claimant _____

Form 5

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SCHEDULE III

WHOLLY DESTROYED OR LOST NOTE BOND WITH SURETIES

Know all men by these presents that we _____

* _____

*Principal's name in full and address & occupation

* _____

x1st Surety's name in full and address & occupation

and x _____

x

x2nd Surety's name in full and address & Occupation.

_____ are jointly and severally held and firmly bound unto the State Bank of Pakistan constituted by the State Bank of Pakistan Act, 1956 (hereinafter called the "Bank") in the sum of Rs. _____ to be paid to the Bank their certain attorney successors of assigns for which payment well and truly to be made we hereby bind ourselves our heirs, executors, administrators and representatives jointly and every two of us bind ourselves our heirs and executors, administrators and representatives jointly and each of us bind himself, his heirs, executors, administrators and representatives severally firmly by these presents sealed with our seals this _____ day of _____ in the Christian year One thousand nine hundred and _____

WHEREAS the above bounden x _____

x

xPrincipal's xName.

alleges that the following Note

Notes

_____ has _____ wholly destroyed

Value and number of Note(s).

_____ been _____

_____ have _____ lost

and that at the date of the destruction of the said Note he was the lawful

_____ loss

holder of the said Note/Notes.

Principal's name.

AND WHEREAS the said _____

has applied to the Officer incharge of the Issue Department of the Bank at _____ (hereinafter called the "Officer") for payment of the amount of the said _____ Note Notes

Principal's name.

AND WHEREAS the said Officer for and on behalf of the Bank has acceded to the said application on the condition of the said _____

and two sufficient sureties executing such Bond as above-written and the said _____

First Surety's name.

Second Surety's name.

_____ and _____

have accordingly as such sureties agreed to execute such Bond with such condition as hereunder is written. Now the condition of the above-written bond is such that if the above bounden _____

Name of Principal and Sureties.

_____ and _____

_____ and _____

and their heirs, executors, administrators or representatives shall repay to the Bank the above mentioned sum of Rs. _____

_____ on demand in the event of the said

Officer for the time being at _____

being at any time hereafter satisfied that the said _____

Principal's name.

was not entitled to receive the above-mentioned sum then the above written bond shall be void and of no effect otherwise the same remains in full force and virtue.

Signed sealed and delivered by the above
named _____

in the presence of _____

Signature of first witness _____

Occupation and address of _____

Witness. _____

Signature of second witness _____

Occupation and address of witness _____

Principal's
Name.

Signature of
Principal.

Principal's
Witnesses.

Seal

Signed sealed and delivered by the above
named _____

in the presence of _____

Signature of first witness _____

Occupation and address of witness _____

Signature of second witness _____

Occupation and address of witness _____

Name of
1st Surety

1st Surety's Signature

1st Surety's
witnesses.

Signed, sealed and delivered by the above
named _____
in the presence of _____

Name of
2nd Surety

Signature of first witness _____

Occupation and address of witness _____

Signature of second witness _____

Occupation and address of witness _____

2nd Surety's
Signature

Seal.

2nd Surety's
witnesses.

Pay

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Date

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ENDORSEMENT

Order No. _____ dated the _____

Pay to _____

Signature of Principal _____

Executed in my presence this _____ day of _____ 19

Certified that the sureties are in my opinion fit to be accepted as such and that they are aware of the terms of the Bond.

Dated _____ 19 _____ Collector.

Received from the Officer-in-charge, Issue Department of the State Bank of Pakistan, the sum of Rupsees _____ only, being the full value of the notes mentioned in the Bond.

Signature of Principal _____

SCHEDULE IV

WHOLLY DESTROYED OR LOST NOTE BOND WITHOUT SURETIES

KNOW ALL MEN by these presents that I _____

Claimant's name in full and address and occupation.

am held and firmly bound unto the State Bank of Pakistan constituted by the State Bank of Pakistan Act, 1956 (hereinafter called the "Bank") in the sum of Rs. _____ to be paid to the Bank their certain attorney successors or assigns for which payment well and truly to be made I hereby bind myself my heirs, executors, administrators and representatives and every one of them firmly by these presents sealed with my seal this _____ day of _____ in the Christian year One thousand nine hundred and _____.

Claimant's name.

WHEREAS the above bounden _____

alleges that the following Note/Notes.

value and number of Notes(s)

_____ has _____ wholly destroyed
_____ have _____ been _____ lost

and that at the date of destruction/loss of the said Note/Notes he was the lawful holder of the said Note/Notes.

Claimant's name.

AND WHEREAS the said _____

has applied to the Officer-in-charge of the Issue Department of the Bank at _____ (hereinafter called the "Officer") for payment of the amount of the said Note/Notes.

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Claimant's witness

AND WHEREAS the said Officer for and on behalf of the Bank has acceded to the said application on condition of the said _____

_____executing such bond as above-written with such condition as hereunder is written. Now THE CONDITION of the above-written bond is such that if the above bounden _____

Claimant's name.

and his heirs, executors, administrators or representatives shall repay to the Bank the above-mentioned sum of Rs. _____on demand in the event of the said Officer for the time being at _____

Claimant's name.

_____being at any time hereafter satisfied that the said _____

Claimant's name.

_____was not entitled to receive _____

_____the above mentioned sum then the above written bond shall be void and of no effect, otherwise the same shall remain in full force and virtue.

Signed sealed and delivered by the above named _____

Claimant's name

_____in the presence of _____

Signature of first witness _____

Signature of claimant.

Occupation and address of witness _____

Signature of second witness _____

Seal

Occupation and address of witness _____

Claimant's witness

ENDORSEMENT

Order No. _____ dated the _____

Pay to _____

Signature of claimant _____

Executed in my presence this _____ day of _____ 19 _____

Dated _____ 19 _____ Collector. _____

Recived from the Officer-in-charge, Issue Department of the State Bank of Pakistan, the sum of Rs. _____ only, being the full value of the notes mentioned in the Bond.

Signature of Claimant _____