

Notification
Rawalpindi, the 7th June, 1962.

Subject: Apportionment and adjustment of Revenues, Assets and Liabilities of Karachi.

S.R.O. 716 (K) / 62:

In pursuance of clause (2) of Article 7 of the West Pakistan Administration (Merger of the Federal Territory of Karachi) Order, 1961 after considerations of the recommendations of the Committee appointed under clause (1) thereof, the President has been pleased to pass the following orders on the 6th of June, 1962.

(a) DISTRIBUTION OF REVENUE.

- (1) With effect from the 1st July, 1961, the proceeds of all taxes and other revenues payable in accordance with the in force immediately before that day in the specified territory to the Federal Consolidated fund or the Public Account of the Federation but which would if that territory had been a Governor's province, had been payable to the provincial consolidated fund or the Public Account of the province, shall be payable to the Provincial Consolidated fund of the Public Account of West Pakistan.
- (2) In respect of the financial year ending on the 30th June, 1962 the shall be paid by the Central Govt, a grant in aid to the Government of West Pakistan equal to six percent of one half of the net receipts from the tax on sale of goods at Karachi during the year.
- (3) One half of the net proceeds of taxes on Income, other than corporation Taxes, Tax on federal emoluments or surcharge levied by the Central Govt. attributable to the Federal Territory of Karachi and collected during the financial year ending on the 30th June, 1962 shall be assigned to the two provinces in the same proportion as prescribed under the Distribution of Revenues Order, 1953.

(b) LAND AND BUILDINGS.

- (1) The unutilized Government Land which was taken over by Central Government from the former Sind Government in 1948 on separation of Karachi Federal Area from the former province of Sind will revert back to the Provincial Government.
- ii) All the buildings of the former Sind Government which were taken over by the Central Government at the time of separation of Karachi will be returned to the Provincial Government with the exception of such buildings as the Central Government may like to retain until the final transfer of the Central Secretariat to Islamabad.
- iii) In respect of the buildings so retained the Provincial Government will be deemed to be the owner and the Central Government will pay to the provincial Government rent defined in Fundamental Rule 45-A which effect from the July, 1961. The buildings to be so retained and

the date, which they will revert to the Provincial Government shall be determined by the Central Government in consultation with Provincial Government.

- iv) In respect of the buildings originally belonging to the former Sind Govt which may now be retained by the Central Government the Central Government will have the right to acquire payment of their book value such buildings as it may wish to retain permanently.
- v) The buildings constructed by the Central Government the local administration of Karachi will be transferred to the Provincial Government compensation except the commercial buildings as the cold storage (Iqbal Market) and the retail market which will be transferred to the Provincial Government payment of their book value.
- vi) The buildings (both office and residential) constructed by the Central Government for their own use in Karachi will remain in the property of the Central Government.
- vii) In case any buildings constructed by the Central Govt, for purposes other than the local administration of Karachi as transferred to the Provincial Government, the Provincial Government will pay to the Central Government book value of those buildings.
- viii) The question of the transfer of the National Stadium and the terms of transfer will be settled separately by mutual agreement between the two Government.
- ix) The 'On account' payment of Rs.2 Crores made by the Central Government to former Sind Govt, will be taken to be the full and final payment and in respect of the claim of the Provincial Government regarding land and buildings used for otherwise disposed of by the Central Government and also in respect of the claim of the Provincial Government for compensation for loss of revenues on account of the separation of Karachi from Sind in 1948.

(c) MOVABLE ASSETS.

All moveable assets including furniture and equipment of Offices, Schools, Colleges, Hospitals and institutions will be transferred to the Provincial Government and no adjustment will be made in respect of their initial transfer by the Central Government in 1948 and their re- transfer to the Province.

(d) STORE IN THE CUSTODY OF GOVERNMENT OFFICES FOR SALE.

The financial adjustment in respect of these stores which include stocks of food grains held by the Civil supplies, stocks of opium and stamps, etc. will be made in the following manner:-

- (1) The Central Government will pay to the Provincial Government the book value of such stores taken over on the 23rd of July 1948 and

- (2) The Provincial Government will pay to the Central Government the book value of such stores taken over on the 1st July 1961.

(e) PERMANENT ADVANCES AND CASH BALANCES WITH LOCAL OFFICES.

- (i) The central Government will take over the advances and balances from the local administration offices as on the 23rd July, 1948 and reimburse the Provincial Government.
- (ii) The Provincial Government will take over the advances and balances from the local Administration offices as on the 1st of July 1961 and will reimburse the Central Government; and
- (iii) This arrangement will also supply cash balance held in Treasuries, which were originally Provincial Treasuries and were converted into Central Treasuries and Vice Versa.

(f) BILLS RECEIVABLE AND BILLS PAYABLE

Bills receivable and bills payable outstanding on the 23rd of July 1948 and the 1st July 1961 should be the assets and liabilities of the Central Government and the Provincial Government respectively. No financial adjustment will be made in respect of this item.

(g) PROVIDENT FUND BALANCES OF GOVERNMENT EMPLOYEES:

- (I) The Provident fund balances of the employees of the Provincial Government transferred to the Central Government outstanding on the 23rd of July 1948 will be transferred by the Provincial Government who will assume liability for them.
- (II) The Provident fund balances of the employees of the Central Government transferred to the Provincial Government outstanding on the 1st of July 1961 will be transferred by the Central Government to the Provincial Government who will assume liability for them.

(h) LOAN AND ADVANCED TO GOVERNMENT SERVANTS

The arrangements referred to in sub-paras g(I) and g(II) will apply.

(i) DEPOSITS OF CONTRACTORS, LOCAL BODIES AND CIVIL AND CRIMINAL COURTS.

The arrangements referred to in sub-paras g (I) and g (II) will apply.

(j) PENSION AND LEAVE SALARIES OF TRANSFERRED EMPLOYEES.

The liabilities in respect of the pension and leave salary of the employees transferred from one Government to the other will be shared by the two Government in accordance with the normal rules.

(k) LOANS AND ADVANCES TO KARACHI DEVELOPMENT AUTHORITY AND OTHER LOCAL BODIES.

The loans and advances granted by the Central Government to the Karachi Development Authority and other local bodies will remain the assets of the Central Government and will be recovered by them direct from the local bodies concerned in advance with the terms of the loans until such time a revised arrangement is arrived at between the Central Government and the Provincial Government in respect of such loans advances.

Sd/ -xxxxxxx
...G.Nasir Khan
Joint Secretary.