

Business and labor law

Assignment
No#03

Submitted To Ma'am

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Semester 6th Program
Business administration

Date_ 23/05/2020

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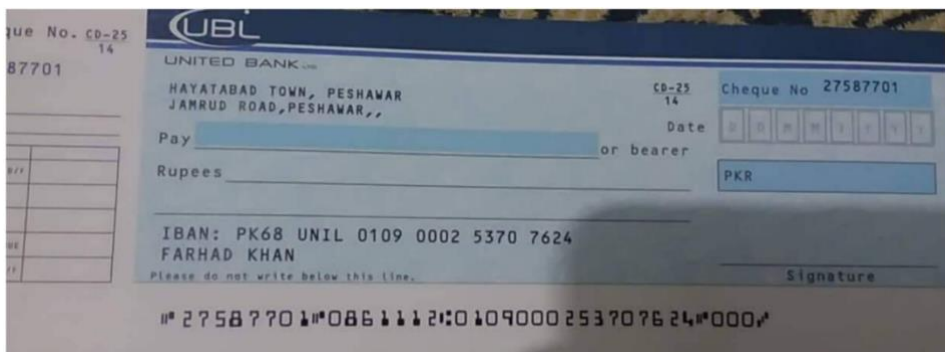
What is a Cheque ?

Meaning Cheque is an important negotiable instrument which can be transferred by mere hand delivery. Cheque is used to make safe and convenient payment. It is less risky and the danger of loss is minimised.

Definition of a Cheque

"Cheque is an instrument in writing containing an unconditional order, addressed to a banker, sign by the person who has deposited money with the banker, requiring him to pay on demand a certain sum of money only to or to the order of certain person or to the bearer of instrument."

Example : UNITED BANK



Different Kinds / Types of Cheques

1. Bearer Cheque

When the words "or bearer" appearing on the face of the cheque are not cancelled, the cheque is called a bearer cheque. The bearer cheque is payable to the person specified therein or to any other else who presents it to the bank for payment. However, such cheques are risky, this is because if such cheques are lost, the finder of the cheque can collect payment from the bank.

2. Order Cheque

When the word "bearer" appearing on the face of a cheque is cancelled and when in its place the word "or order" is written on the face of the cheque, the cheque is called an order cheque. Such a cheque is payable to the person specified therein as the payee, or to any one else to whom it is endorsed (transferred).

3. Uncrossed / Open Cheque

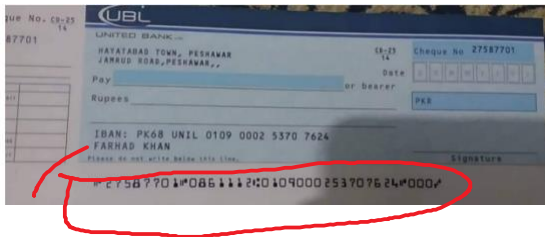
background printing appears to be vanishing your banker will become alert while negotiating such type of cheques.

Primary fluorescence:

It is special feature when cheques are put to test under an ultraviolet lamp the numbers printed on the cheque become fluorescent under the light.

Anti copy features:

Some such security marks are provided on cheques, which are difficult to be copied which make the cheques equipped with anti copy features. Some documents can be copied on colour photocopier, Black and white photocopier, Fax-Machines, Digital copier and on Digital cameras but the type of paper used in printing of cheque should be a deterrent against making copies. It is therefore difficult to copy a cheque.



Micro line and secret pattern printing:

Every cheque is provided with micro line printing which includes secrets of bank, branch, city etc. and also provision for encoding the cheque.

Importance of Cheques in Payment System:

In spite of introduction of various mode of payments and settlements still a large number of people are addicted to use of cheques and all the Clearing Houses are handling a very large number of cheques every day. In view of the importance of cheques it is must that one should know what is a cheque and how it enables settlement of payments.

bill of exchange and promissory

bill of exchange is a negotiable instrument in a written format which orders the drawee or the debtor to pay a certain sum within the given period to the drawer or the creditor or the payee.

Features of Bill of Exchange

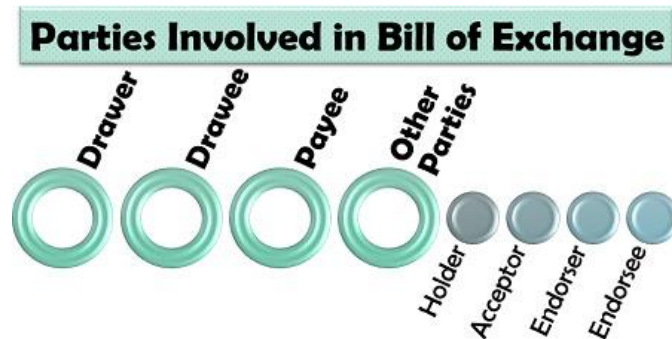
A bill of exchange is a unique instrument used for non-cash transactions. The following characteristics differentiate it from other negotiable instruments:



- **negotiable Instrument:** A bill of exchange is a negotiable instrument which holds legal obligation on the drawee to pay the specified amount.
- **Written Order:** It is a written order drafted by the drawer on the drawee.
- **Stamped by Drawer:** It holds a legal stamp to ensure its validity.
- **Duly Signed by Drawee:** A bill of exchange is duly accepted and signed by the drawee who owes the sum to the payee.
- **Date of Payment:** The date of payment is mentioned on the bill of exchange.
- **Unconditional Order:** The bill is an order which needs to be fulfilled irrespective of the condition prevailing on the date of payment.

Parties Involved in Bill of Exchange

Though a bill of exchange majorly involves only three parties, there are various others whose role is equally important. These parties are classified as follows:



1. **Drawer:** The drawer or the creditor is the person who creates the bill of exchange and is entitled to receiving the sum in return of the goods sold on credit.
2. **Drawee:** The drawee is the one on whom the bill is drawn and who owes the amount to the drawer or the payee.
3. **Payee:** The person who is liable to receive the sum as mentioned in the bill of exchange is known as the payee. The drawer can be the payee if he/she does not endorse the bill to someone else.
4. **Other Parties:** Apart from the above mentioned three parties, some more people are also associated with a bill. They are as follows:
 - **Holder:** A holder is a person who has the possession of the bill or is the bearer of it and is liable to recover the amount. Both payee or endorsee can be the holder of a bill of exchange.
 - **Acceptor:** The person on whom the bill is drawn, i.e. the drawee who owes the amount to the payee and therefore accepts to pay the same by signing the bill of exchange.
 - **Endorser:** The holder who transfers the bill of exchange in the name of some other person, making him/her the payee is known as an endorser.
 - **Endorsee:** An endorsee is a person on whose name the bill of exchange is transferred by the endorser and who becomes the payee and holder of that bill.

Example of Bill of Exchange

Mr P sold goods worth ₹150000 to Mrs Q on credit for three months. At the same time, Mr P had purchased raw material worth ₹150000 from Mr R on credit for three months. Henceforth, Mr P drafts a bill of exchange ordering Mrs Q to pay ₹150000 to Mr R, after three months. This draft was duly signed and accepted by Mrs Q, making it a legal Bill of Exchange.

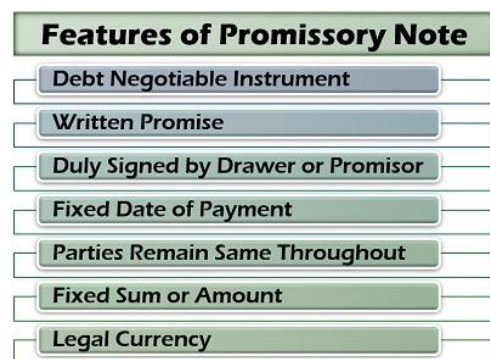
BILL OF EXCHANGE	
STAMP	
₹ 1,50,000	Mumbai, India January 15, 2019
Three months after date, pay Mr. R or his order, a sum of rupees one lakh fifty thousand, value received.	
To, Mrs. Q Pune, India	ACCEPTED Sd/- Mrs. Q January 18, 2019
	Sd/- Mr. P Mumbai, India

Promissory Note?

A promissory note is a debt negotiable instrument written by a borrower (drawer) who promises to pay the lender (payee), a specific sum on-demand or on a particular future date which is predefined.

Features of Promissory Note

What is a promissory note? How is it different from other negotiable instruments? To get the answers, let us go through the following features of a promissory note:

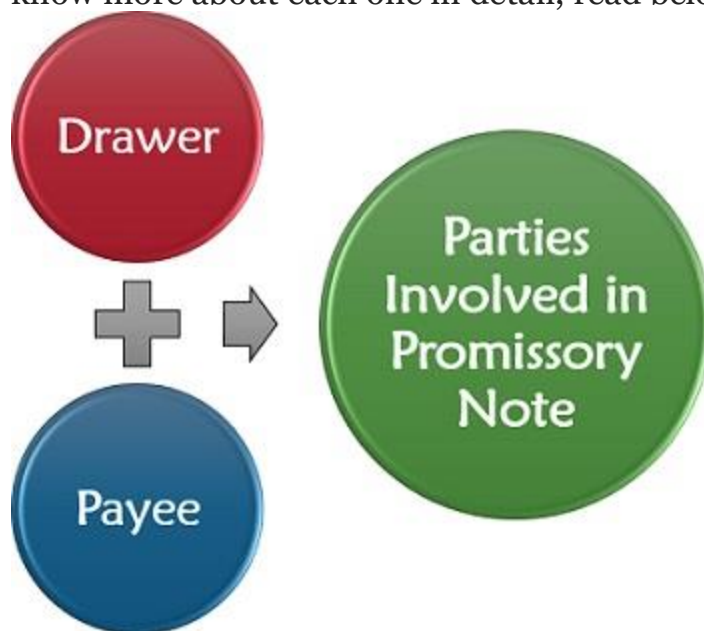


- **Debt Negotiable Instrument:** A promissory note is a debt instrument made at the time of providing loan other than bank loans.

- **Written Promise:** The promise made by the drawer to pay off the sum is in a written format.
- **Duly Signed by Drawer or Promisor:** This note holds the signature of the drawer abiding by all its clauses.
- **Fixed Date of Payment:** The promissory note states a particular date of repayment on which the promise has to be fulfilled.
- **Parties Remain Same Throughout:** The parties to a promissory note unlike a bill of exchange does not change throughout the execution of it.
- **Fixed Sum or Amount:** The amount is mentioned in the monetary denomination on a promissory note.
- **Legal Currency:** The exchange of money while execution of a promissory note is done in legal currency.

Parties Involved in Promissory Note

A promissory note strictly involves two parties, i.e. a drawer and a payee. To know more about each one in detail, read below:



1. **Drawer:** The drawer or the maker of a promissory note is the one who borrows the sum and promises to pay a certain amount in return on-demand or a specified date.
2. **Payee:** The payee or the drawee is the person who lends the sum to the drawer and is liable to receive a certain amount in return, on his/her demand or the date specified on the promissory note.

Example : Mrs Q wants to start a garment business but does not have sufficient capital. Mr P is a well-established businessman and agrees to finance Mrs Q's

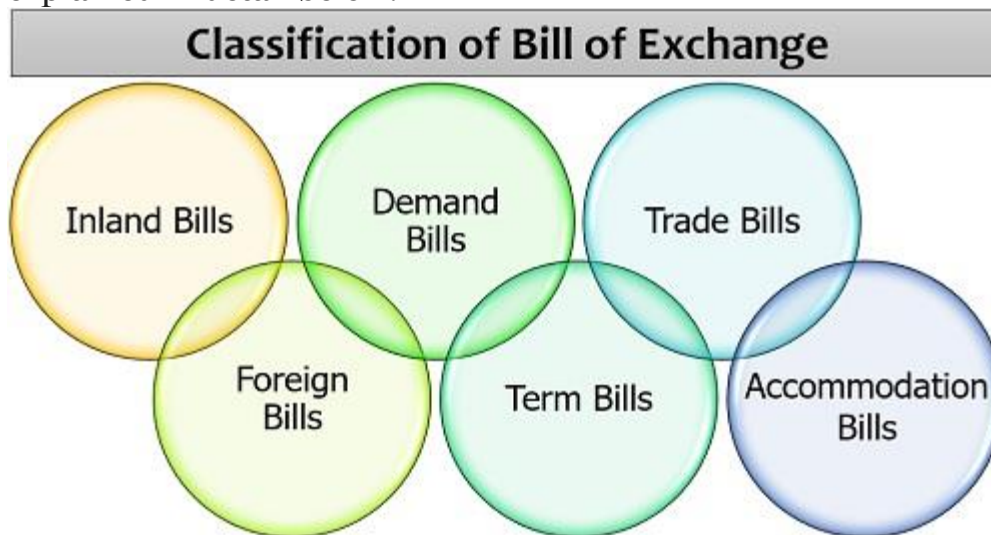
business idea. Mr P provides a loan of ₹150000 to Mrs Q at 10% interest to be paid in 50 equal monthly instalments of ₹3300 each.

Mrs Q wrote a promissory note where she promised Mr P to pay the total debt on time. This promissory note looked something like this:

PROMISSORY NOTE	
Amount: ₹ 1,50,000 Place: Mumbai, India	Date: January 15, 2019
I Mrs. Q, make commitment to pay Mr. P, the sum of ₹ 1,50,000. Repayment is to be made in the form of 50 equal payments at 10% interest, or ₹ 3300 payable on 1 st of each month, beginning February 1, 2019 until the total debt is paid.	
IN WITNESS WHEREOF, I set my hand under seal this 15 th of January, 2019 and I acknowledge receipt of a completed copy of this instrument.	
Sd/- Mrs. Q Pune, India	Sd/- Notary Public

Classification of Bill of Exchange

A bill of exchange can be categorized into various kinds, based on the residential status of the parties, date of maturity and purpose of the bill. These types are explained in detail below:

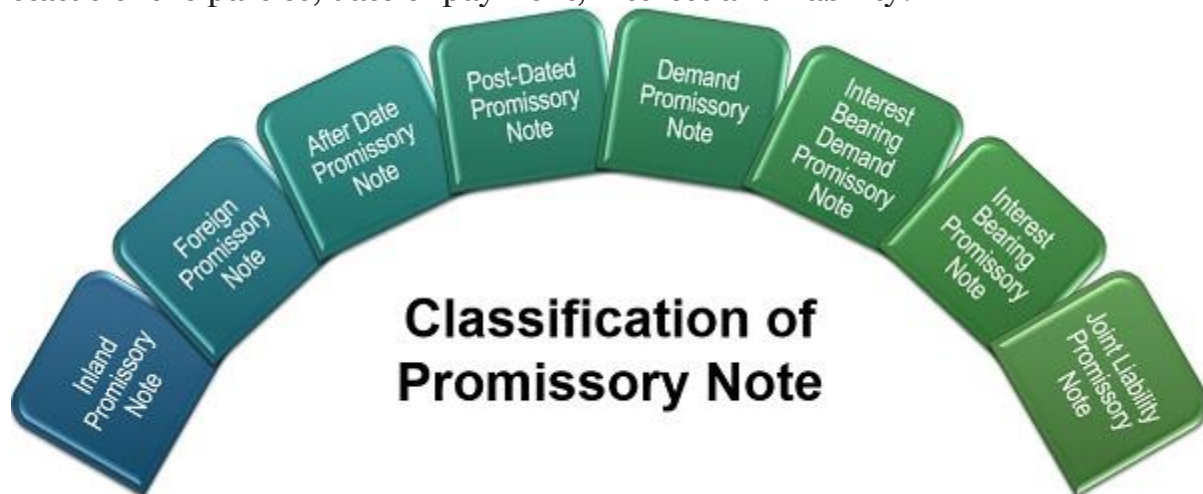


- **Inland Bills:** A bill of exchange drawn within the geographical boundaries of a country, when the drawer, drawee and payee resides in that particular country, is known as an inland bill.

- **Foreign Bills:** When a drawer makes a bill in one country to be accepted and payable by the drawee in some other country, this bill of exchange is called a foreign bill.
- **Demand Bills:** These bills of exchange do not have a specific date or period of repayment; instead, these are payable on demand of the payee or holder.
- **Term Bills:** The bills of exchange payable on a specific date or after a definite period are called term bills.
- **Trade Bills:** Trade bills are those who are drawn by the seller or creditor at the time of selling goods on credit to the drawee.
- **Accommodation Bills:** The bill which is drawn by a lender to provide financial support or aid to the drawee or the borrower is known as an accommodation bill.

Classification of Promissory Note

A promissory note is divided into the following types, based on the residential status of the parties, date of payment, interest and liability:



- **Inland Promissory Note:** If the parties involved in a promissory note, i.e. the drawer and the payee belongs to the same country, the draft is referred to as an inland promissory note.
- **Foreign Promissory Note:** A promissory note in which the drawer and the payee both belong to different countries is termed as a foreign promissory note.

- **After Date Promissory Note:** An after date promissory note is the one on which the drawer states its life or period of repayment. According to this period and the date of issue, the due date can be calculated.
- **Post-Dated Promissory Note:** The promissory note which reveals a date of repayment belonging to the next period, i.e. the next month or year, is known as a post-dated promissory note.
- **Demand Promissory Note:** The note which is payable on demand of the payee, i.e. the payee can claim the amount on any day as per his/her choice is termed as a demand promissory note.
- **Interest Bearing Demand Promissory Note:** As a mutual understanding between the payer and the payee, the interest on the amount is decided which is payable by the drawer along with the principal amount as and when claimed by the payee.
- **Interest Bearing Promissory Note:** Again with a mutual understanding a specific rate of interest is decided among the parties, which is payable by the drawer in addition to the principal sum on the due date to the payee.
- **Joint Liability Promissory Note:** The joint liability promissory note is the one in which involves two or more drawers unanimously liable to pay the specified amount to the payee on the due date.

Question no 3

Labour Court in Pakistan

Powers and Functions of

1. Introduction

The main object of an industrial relations system is to provide a framework within which the conflicts inherent in a worker employer relationship may be peacefully resolved. For this purpose the labour court u/sec 44 of the ordinance has been established which secures the rights of both employer and workmen guaranteed under the PIRA 2010 and other laws for the time being in force.

2. Relevant Provisions

Sec 44, 45, 47 of Industrial Relation Act 2012

Section 44, 45, 46 of Punjab Industrial relations Act 2010.

3. Meaning of Labour Court

Labour Court means a labour court established under section 44.

4. Establishment of Labour court

Labour court is to be established by the provincial Government

a. Procedure of establishing

(i) Provincial Govt. has to consult with the chief justice of the respective High Court.

(ii) It must notify in the official gazette the fact of such establishment.

b. Discretion of Provincial Govt.

Provincial Govt. has the discretionary power in respect of establishing labour court and it may establish as many labour courts as it considers necessary.

c. In case more than one labour court established

Where provincial Govt. establishes more than one labour court, it shall specify in the notification.

(i) The territorial limits within which or

(ii) The Industry or classes of cases in respect of which each one of them shall exercise jurisdiction under the ordinance.

5. Constitutement of Labour Court

(i) Number and appointment of members of labour court

A labour court shall consist of one presiding officer appointed by a provincial Govt. in consultation with the chief justice of the respective High Court.

(ii) Qualifications

A person to appointed as presiding officer must be either

(a) Qualified to be judge or additional judge of High Court, or

(b) Has been a judge or additional judge of High court or,

(c) Is a District judge

6. Functions of Labour Court

Following are the functions of Labour court.

(a) Determination of Industrial Dispute

A labour court shall adjudicate and determine an industrial dispute which has been referred to or brought before it under this ordinance.

(i) Meaning of Industrial dispute

Industrial dispute means any dispute or difference between employers, and workmen or between workmen and workmen which is concerned with the

- a. employment or non-employment or
- b. the terms of employment or
- c. conditions of work

(ii) Adjudication on matters relating to settlement

Labour court shall enquire into or adjudicate any matter relating to the implementation or violation of a settlement which is referred to it by a provincial Govt.

a. Meaning of Settlement

Settlement means any agreement arrived at during conciliation proceeding or otherwise if in writing, signed by parties in the prescribed manner, a copy where of has been sent to the provincial Govt. the conciliator and such other person as may be prescribed.

b. Try offences

A Labour Court has dual functions to perform i.e civil as well as criminal. It shall try offences under PIRA 2010 and such other offences as the provincial Govt. may specify by notification in the official Gazette.

c. Other Functions

A labour court shall exercise such other powers and functions as may be entrusted to it by law.

7. Procedure and Powers of Labour court

(a) While trying offences

While trying an offence, a labour court shall follow as nearly as possible summary procedure as provided under Cr.P.C, and shall have the same powers as are vested in the court of a magistrate of first class specially empowered u/sec 30 of Cr.P.

(b) While adjudicating industrial dispute

For the purpose of adjudicating and determining any industrial dispute, a labour court shall be deemed to be a civil court and follow the procedure as provided under C.P.C and shall have the same powers as are vested in such court under C.P.C. Following are the powers of labour court.

i. To Grant Relief

Labour court can grant full and final relief to the aggrieved party.

ii. To Grant interim Relief

Labour court is also competent to grant ad-interim relief under its inherent powers.

iii. To grant Adjournment

Labour court has the power to grant adjournments if just cause to shown.

iv. To enforce attendance of any Person

Labour court can enforce the attendance of any person which is necessary for deciding the matter before it and this it can done so by issuing summons, proclamation etc.

v. Power to Examiner

Labour court can examine any person on oath.

vi. To compel Production of Documents etc

Labour court can compel the production of documents and material objects, necessary for deciding the matter in questions.

vii. To issue commissions

Labour court has the power to issue commissions for the examination of witnesses or documents.

viii. Ex-part Proceedings

Labour court has the power to proceeding ex-parte, where the party failed to appear before it.

ix. to determine Grievance of workmen

Labour court may determine the grievance of workmen and in doing so, it shall go into all the fact of the case and pass such order as may be just and proper in the circumstances of the case.

c. While trying cases of Rights Given under special Acts

Where the special acts confer on litigants certain rights but the power to decide, try or adjudicate the case in conferred on the labour court established under PIRA 2010 and no procedure is prescribed, labour courts can apply their own procedure.

8. Territorial Jurisdiction of Labour Court

Assumption of jurisdiction by labour court without deciding objection to territorial jurisdiction was unwarranted unless it had necessary territorial jurisdiction, its order was bound to be without lawful authority.

9. Exemption from court fee

No court fees are payable for filing, exhibiting or recording any document in or obtaining any document from labour court.

10. Withdrawal of case

Where the matter has resolved the parties amicable before a final order is passed by the labour court, the labour court may allow withdrawal of such case if there are sufficient grounds for such withdrawal.

11. Conclusion

To conclude, I can say, that the labour court is a judicial forum to resolve the disputes between employers and workmen. It has two-fold jurisdiction viz civil and as well as criminal, but it is not subordinate to the high court and Article 201 of the constitution of Pakistan, 1973 does not apply to it. The labour court is left with the owner discretion to decide what is just and fair in the circumstances of each case, having regard to equity, fairness and social justice.

Farhad khan