

The Rajasthan Financial Corporation (Issue of Bond) Regulations, 1961

RAJASTHAN

India

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Rule

THE-RAJASTHAN-FINANCIAL-CORPORATION-ISSUE-OF-BOND-REGULATIONS of 1961

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The Rajasthan Financial Corporation (Issue of Bond) Regulations, 1961 Published vide Notification No. RFCF 94/7/61-62. dated 19-12-1961, Published in Rajasthan Gazette, Part 4-C, dated 21-12-1961. In exercise of the powers conferred by section 48 of the State Financial Corporation Act, 1951 (LXIII of 1951), the Board of Directors of the Rajasthan Financial Corporation, after consultation with the Reserve Bank of India, and with the previous sanction of the Government of Rajasthan, is pleased to make the following Regulations, namely:-

1. Short title and application.

- These Regulations may be called the Rajasthan Financial Corporation (Issue of Bonds) Regulations, 1961. (2) They shall apply to bonds issued and sold by the Corporation under sub-section (1) of section 7 of the State Financial Corporation Act, 1951.

2. Definitions.

- In these Regulations, unless the context requires otherwise - (a) "the Act" means the State Financial Corporations Act, 1951. (b) "the Bank" means [the State Bank of Bikaner & Jaipur] [Substituted vide Notification dated 17-3-1966]. (c) "bond" means the bonds issued and sold by the Corporation under sub-section (1) of section 7 of the Act. (d) "defaced bond" means a bond which has been made illegible and rendered indecipherable in material parts and the material parts of a bond are those where: (i) (a) the number of the bond (b) the face value of the bond, or (c) payments of interest are recorded, or (ii) the endorsement or the name of the payee is written, or (iii) the renewal receipt is

supplied,(e)"Form" means a form as set out in the Schedule to these Regulations.(f)"lost bond" means a bond which has actually been lost and shall not mean a bond which is in possession of some person adversely to the claimant.(g)"mutilated bond" means a bond which has been destroyed, torn or damaged in material parts thereof.(h)"office of issue" means the Head office of the Sawai Mansingh Highway Branch of the State Bank of Bikaner and Jaipur on the books of which a bond is registered or may be registered.(i)"prescribed officer" means such officers of the Corporation or of the Bank as may be authorised by the Board of Directors of the Corporation for the purposes of Regulations 9, 10, 11, 13, 14 and 15.

3. Form of the bond and the mode of transfer thereof, etc.

- (1) A bond may be issued in the form of promissory note payable to, or to the order of, a certain person.(2)A bond shall be transferable by endorsement and delivery, like a promissory note payable to order.(3)No endorsement of a bond shall be valid unless made by the signature of the holder or his duly constituted attorney or representative inscribed on the back of the bond itself.(4)No writing on a bond is valid for the purpose of negotiation, if such writing purports to transfer only part of the amount denominated by the bond.(5)(i)The bond shall be issued over the signature of the Managing Director of the Corporation which may be printed, engraved or lithographed or impressed by such other mechanical process as the Corporation may direct.(ii)A signature so printed, engraved, lithographed or otherwise impressed shall be as valid as if it has been inscribed in the proper handwriting of the signatory himself.

4. Trust not recognised.

- The office of issue shall not be bound or compelled to recognise in any way, even when having notice thereof, any trust or any right in respect of a bond other than an absolute right thereto in the holder.

5. Persons disqualified to be holders.

- No minor and no person who has been found by a competent court to be of unsound mind shall be entitled to be a holder.

6. Payment of interest.

- [Interest on a bond shall be paid by the office of the Corporation or any office of the Bank as may be notified in the relative Bond Prospectus subject to the compliance by the holder with such formalities as the office of the Corporation or the office of the Bank may require, on presentation of the bond, by Interest Warrant in favour of the holder payable at the office of the Corporation or any office of the Bank, as the case may be.] [Substituted vide Notification dated 31-12-1968 (22-5-1969).]

7. Procedure when bond is lost, etc.

- (1) Every application for the issue of a duplicate bond in place of a bond which is alleged to have been lost, stolen, destroyed, mutilated or defaced, either wholly or in part shall be addressed to the office of issue, and shall contain the following particulars, namely -(a) particulars of the bond according to the following form:- Bond for Rs..... No of the per cent bond..... (b) last half-year for which interest has been paid; (c) the person to whom such interest was paid; (d) the person in whose name bond was issued (if known); (e) the place of payment of interest at which the bond was enfaced; (f) the circumstances attending the loss, theft, destruction, mutilation or defacement; and (g) whether the loss or theft was reported to the police. (2) Such application shall be accompanied by -(a) where the bond was lost in course of transmission by registered post, the post office registration receipt for the letter containing the bound; (b) a copy of the police report, if the loss or theft was reported to the police; (c) where the last payment of interest was not made by the office of issue, a letter signed by the Manager of the Bank where interest was last paid, certifying the last payment of interest on the bond and stating the name of the party to whom such payment was made; (d) if the applicant is not the registered holder, an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the bond, and all documentary evidence necessary to trace back the title to the registered holder; and (e) any portion or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced bond. (3) A copy of the application addressed to the office of issued shall also be sent to the office of the Bank where interest is payable; provided that it shall not necessary to send copies of the enclosures accompanying the application.

8. Notification in Gazette.

- The loss, theft, destruction, mutilation or defacement of a bond or portion of a bond shall forthwith be notified by the applicant in three successive issues of the Rajasthan Government Gazette and if the loss, theft, destruction, mutilation or defacement occurred at a place outside the State of Rajasthan, in the local official Gazette of such place. Such notification shall be in the following form or as nearly in such form as circumstances permit. "Lost" ("stolen", "destroyed", "mutilated" or "defaced" as the case may be). The Rajasthan Financial Corporation Bond No of the per cent, bond for Rs..... originally standing in the name of.... and last endorsed to the proprietor, by whom it was never endorsed to any other person having been lost (stolen, destroyed, mutilated or defaced) notice is hereby given that payment of the above bond and the interest thereupon has been stopped at the office of issue, and that application is about to be made or has been made for the issue of a duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above-mentioned bond. Name of person notifying. Residence.

9. Issue of duplicate bond and taking of indemnity.

(1) After the publication of the last notification prescribed in Regulation 8, the prescribed officer shall, if he is satisfied of the loss, theft, destruction, mutilation or defacement of the bond and of the justice of the claim of the applicant, cause the particulars of the bond to be included in a list published under Regulation 10, and shall order the office of issue -(a) if only a portion of the bond

has been lost, stolen, destroyed, mutilated or defaced, and if a portion thereof sufficient for its identification has been produced, to pay interest and to issue to the applicant, on execution of an indemnity bond such as is hereafter mentioned and on payment of the prescribed fee a duplicate bond in place of that of which a portion has been so lost stolen, destroyed, mutilated or defaced either immediately after the first publication of the particulars of the bond in the list under Regulation 10 or on the expiry of such period as the prescribed officer may consider necessary from the date of the publication of the said list;(b)If no portion of the bond so lost, stolen, destroyed, mutilated or defaced, sufficient for its identification has been produced -(I)to pay to the applicant, two years after the first publication of the particulars of the bond in the list, and on the execution of an indemnity bond in the manner hereinafter prescribed, the interest in respect of the bond so lost, stolen, destroyed, mutilated or defaced till the expiry of the period of six years as' next hereinafter provided; and(ii)if the date on which the bond is due for repayment fall earlier than the date on which the said period of six years expires, the prescribed officer shall, within six weeks of the former date, invest the principal amount due on the bond in the Post office Savings Bank or in a Bank where the Corporation invests its funds, and shall repay this amount together with any interest which may have accrued thereon in such Bank, to the applicant at the time when a duplicate bond would otherwise have been issued, and(ii)if at any time before the issue of the duplicate bond the original bond is discovered or it appears to the office of issues for other reasons that the order should be rescinded, the matter shall be referred to the prescribed officer for further consideration and in the meantime all action on the order shall be suspended. An order passed under this Sub-Regulation shall on expiry of the period of six years referred to therein, become final unless it is in the meantime rescinded or otherwise modified.(II)to issue to the applicant on payment of the prescribed fee a duplicate bond in place of the bond so lost, stolen, destroyed, mutilated or defaced six years after the date of first publication of the particulars of the bond in the list; provided that -(2)The prescribed officer may, at any time prior to the issue of a duplicate bond, if he finds sufficient reasons, alter or cancel any order made by him under this Regulation and may also direct that the interval before the issue of a duplicate bond shall be extended by such period not exceeding six years as he may think fit.(3)Indemnity Bonds(i)(a)when executed under Sub - Regulation (1)(b) (1) shall be for twice the amount of interest involved that is to say, twice the amount of all back interest accrued due on the bond plus twice the amount of all interest to accrue due thereon during the period which will have to elapse before the issue of a duplicate bond can be made, and(b)in all other cases shall be for twice the face value of the bond plus twice the amount of interest calculated in accordance with clause (a).(ii)The prescribed officer may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two sureties approved by him as he may think fit.

10. Publication of list.

(1)The list referred to in Regulation 9 shall be published half - yearly in the Rajasthan Government Gazette in the months of January and July or as soon afterwards as may be convenient.(2)All bonds in respect of which an order has been passed under Regulation 9 shall be included in the first list published next after the passing of such order and thereafter such bonds shall continue to be included in every succeeding list until the expiration of six years from the date of first publication.(3)The list shall contain the following particulars regarding each bond included, therein

namely, the name of the issue, the number of the bond, its value, the name of the person to whom it was issued, the date from which it bears interest, the name of the applicant for a duplicate, the number and date of the order passed by the prescribed officer for payment of interest or issue of a duplicate, and the date of publication of the list in which the bond was first included.

11. Determination of mutilated bond as bond requiring renewal.

- It shall be at the opinion of the prescribed officer to treat a bond which has been mutilated or defaced as a bond requiring issue of a duplicate under Regulation 9 or mere renewal under Regulation 14.

12. When bond is required to be renewed.

(1) A holder of a bond may be required by the office of issue to receipt the same for renewal in any of the following cases, namely -(a) if only there is sufficient space on the back of the bond for one further endorsement or if any word is written upon the bond across the existing endorsement or endorsements; (b) if the bond is torn or in any way damaged or crowded with writing or unfit, in the opinion of the office of issue of recording payment of interest or for receiving endorsements; (c) if any endorsement is not clear and distinct or does not indicate the payee or payees, as the case may be, by name or is made otherwise than in one of the endorsement cages on the back of the bond; (d) if the interest on the bond has remained undrawn for ten years or more; (e) if the interest cages on the reverse of the bond have been completely filled or if the vacant prescribed cages on the reverse of the bond do not correspond with the half-years for which interest has become due on the date when the bond is presented for drawal of interest; (f) if the bond having been enfaced three times for payment of interest is presented for re-enfacement; and (g) if in the opinion of the office of issue, the title of the person presenting the bond for payment of interest is irregular or not fully proved. (2) When the requisition for renewal of a bond has been made under Sub-Regulation (1) payment of any further interest thereon shall be refused until it is receipted for renewal and actually renewed.

13. Person whose title to bond of deceased sole holder may be recognised.

(1) The executors or administrators of a deceased sole holder of a bond (whether a Hindu, Mohammedan, Parsi or otherwise) and the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925 (XXXIX of 1925) in respect of the bond shall be the only person who may be recognised by the office of issue (subject to any general or special instructions of prescribed officer) as having any title to the bond. (2) Notwithstanding anything contained in section 45 of the Indian Contract Act, 1872 (IX of 1872) in the case of a bond issued, sold or held payable to two or more holders, the survivors, his executors, administrators, or any person who is the holder of a succession certificate in respect of such bond shall be the only person who may be recognised by the office of issue (subject to any general or special instructions of the prescribed officer) as having any title to the bond. (3) The office of issue shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration or other legal representation, as the case may be from a competent court or office in India, having effect at the place of situation of the office of issue. Provided nevertheless that in any case where the prescribed

officer shall in his absolute discretion think fit, it shall be lawful for him to dispense with the production of probate, letters of administration or other legal presentation upon such terms as to indemnity or otherwise as he think fit.

14. Receipt for renewal, etc.

- (1) Subject to any general or special instructions of the prescribed officer, the office of issue by its order, on the application of the holder, on his delivering the bond or bonds and on his satisfying the office of issue regarding the justice of his claim, renew, sub-divide or consolidate a bond or bonds; provided the bond or bonds has or have been receipted in Forms I, II or III as the case may be, and the prescribed fee, if any, has been paid. (2) The office of issue may, under the orders of the prescribed officer, require the applicant for renewal Sub-Division or consolidation of a bond under the Sub-Regulation (I) to execute a bond in Form IV with one or more sureties approved by him.

15. Renewal of bond in case of dispute as to title.

- Where there is a dispute as to the title to a bond in respect of which an application for renewal has been made, the prescribed office may -(a) where any party to the dispute has obtained a final decision from a court of competent jurisdiction declaring him to be entitled to such bond, issue a renewed bond in favour of such party, or (b) refuse to renew the bond until such decision has been obtained. Explanation. - For the purposes of this Regulation, the expression 'final decision' means a decision which is not appealable or a decision which is appealable but against which no appeal has been filed within the period of limitation allowed by law.

16. Liability in respect of bond renewed, etc.

- When a duplicate bond has been issued under Regulation 9 or a renewed bond has been issued or a new bond has been issued upon Sub-Division or consolidation under Regulation 14, in favour of a person, the bond so issued shall be deemed to continue a new contract between the Corporation and such persons and all persons deriving title thereafter through him.

17. Discharge.

- The Corporation shall be discharged from all liability in respect of the bond or bonds paid on maturity or in place of which a duplicate, renewed, sub-divided or consolidated bond or bonds has or have been issued :- (a) In the case of payment, after the lapse of six years from the date on which payment was due; (b) In the case of a duplicate bond after the lapse six years from the date of the publication under Regulation 10 of the list in which the bond is first mentioned, or from the date of the payment of interest on the original bond, whichever date is later; (c) In the case of a renewed bond or of a new bond issued upon Sub-Division or consolidation after the lapse of six years from the date of issue thereof.

18. Discharge in respect of interest.

- Save as otherwise expressly provided in the terms of the bond, no person shall be entitled to claim interest on any such bond in respect of any period which has elapsed after the earliest date on which demand could have been made for the payment of the amount due on such bond.

19. Discharge of a bond.

- When a bond becomes due for payment of principal the bond shall be presented at the office of the Bank at which the interest thereon is payable or at the office of issue duly signed by the holder on its reverse.

20. Fees.

- A fee of Re. 1/- shall be paid in respect of each new bond issued on renewal, Sub-Division or consolidation under Regulation 14 and in respect of a duplicate bond issued under Regulation 9: Provided that no fee shall be payable in respect of the renewal of a bond which bears no endorsement other than an endorsement by *[the State Bank of Bikaner & Jaipur] or the Rajasthan Financial Corporation and the renewal endorsement, when such renewal is required only on account of there being no further space on the bond in which to record payment or enfacement for payment of interest.

Schedule

[See Regulation 2 (e)] Form I [See Regulation 14(1)] Form of endorsement for renewal of a Bond Received in lieu hereof a renewed bond payable to (name of holder) with interest payable at [State Bank of Bikaner & Jaipur] [Substituted vide Notification dated 17-3-1966.].....Signature of the holder/duly authorised representative of (name of holder).....Form II [See Regulation 14(1)] Form of endorsement for Sub-Division of a Bond Received in lieu hereof bonds for Rs. respectively, payable to (name of holder) with interest payable at [State Bank of Bikaner and Jaipur] [Substituted vide Notification dated 17-3-1966.].....Signature of the holder/duly authorised representative of (name of holder).....Form III [See Regulation 14(1)] Form of endorsement for consolidation of Bonds Received in lieu hereof a new bond payable to (name of holder) for Rs by consolidation with bond or bonds Nos..... (mentioning the numbers and amounts of the other bonds desired to be consolidated with it and specifying the issue) with interest payable at [State Bank of Bikaner and Jaipur] [Substituted vide Notification dated 17-3-1966.].....Signature of the holder/duly authorised representative of (name of holder).....Form IV [See Regulation 14(2)] Know all men by these presents that we.....
(a) Principal Son of.....Resident of.....and.....Son of.....Resident of.....and.....Son of.....Resident of..... (b) Sureties hereby bind ourselves and each of us, our and each of our heirs, executors, administrators and representatives and all of them jointly and severally to the Rajasthan Financial Corporation as constituted by the State Financial Corporation Act, 1951 (hereinafter called the said Corporation) for payment of sum of Rs.....to be said Corporation, its

certain attorneys, successors and assigns. AND I/each of us the said hereby covenant with the said Corporation that if any suit shall be brought touching the subject-matter of this obligation or the condition hereunder written in any court sub-ordinate to the Rajasthan High Court, the same may, at the instance of the said Corporation or [the State Bank of Bikaner and Jaipur] [Substituted vide Notification dated 17-3-1966.], whoever may be a party to such suit, be removed unto, tried and determined by, the said High Court in its extraordinary original civil jurisdiction, as the case may be. Whereas the said (a) has applied to [the State Bank of Bikaner and Jaipur] [Substituted vide Notification dated 17-3-1966.] for *the renewal/consolidation/Sub-Division of the bond (bonds), issued by the said Corporation mentioned in the Schedule hereto.* Out of the several alternatives mentioned hereafter, retain the one which applies to the case and strike out the others.

And Whereas the said [State Bank of Bikaner and Jaipur] [Substituted vide Notification dated 17-3-1966.] have consented and agree to accept the said application on the said (a) with two good and sufficient sureties entering into and executing the above written bond subject to the condition hereunder written. (a) Principal

And Whereas the above bounden and

If there are
two sureties
at the request
of the said

At the request of the said

(a) has (have) agreed to become surety (sureties) for

(a) Principal

(a) and to join with the said

(a) in executing the above written bond.

Now the condition of the above written bond is such that if the above bounden

(b) or each of them or their heirs, executors, administrators or representatives or any one or either of them shall from time to time and at all times hereafter effectually save, defend, keep harmless and indemnified the said Corporation and the said [State Bank of Bikaner and Jaipur] [Substituted vide Notification dated 17-3-1966.] from and against the claims and demands of all persons claiming to be entitled to the bond (bonds) issued by the said Corporation mentioned in the Schedule hereto or to any interest thereon and of all other person whomsoever in respect of the said bond (bonds) or the renewal thereof or the payment of any interest thereon and from and against all damages, losses, costs, charges and expenses which the said Corporation or the said [State Bank of Bikaner and Jaipur] [Substituted vide Notification dated 17-3-1966.] may sustain, incur or be liable to, for or in consequence of any such claim or demand or by reason of the issue of renewed bond (bonds) as aforesaid or the payment of any interest due on the said bond (bonds) or renewed bond (bonds) then the above written bond shall be void but otherwise the same shall remain in full force and effect.

(b) Names of
the Principal
and sureties
of (a)

Signed and delivered by in the presence of and
of Date: The Schedule herein referred to

Nature and description of the bond Number Date of Issue Amount