

Public Debt (Annuity Deposit Certificates) Rules, 1966

UNION OF INDIA

India

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Rule

PUBLIC-DEBT-ANNUITY-DEPOSIT-CERTIFICATES-RULES-1966 of 1966

- Published on 1 January 1966
- Commenced on 1 January 1966
- [This is the version of this document from 1 January 1966.]
- [Note: The original publication document is not available and this content could not be verified.]

Public Debt (Annuity Deposit Certificates) Rules, 1966

1598.

In exercise of the powers conferred by Section 28 of the Public Debt Act, 1944 (18 of 1944), the Central Government hereby makes the following rules, the same having been previously published as required by sub-section (1) of the said section, namely:-

1. Short title and application.-

(1)These rules may be called the Public Debt (Annuity Deposit Certificates) Rules, 1966.(2)They shall apply to a Government security in the form of an Annuity Deposit Certificate issued under sub-clause (a) (iv) of clause (2) of Section 2 of the Act read with Rule 4 of the Public Debt Rules, 1946.

2. Definitions.-

In these rules, unless the context otherwise requires,-(1)"Act" means the Public Debt Act, 1944 (18 of 1944).(2)"annuity" means any instalment of principal and interest payable in pursuance of the issue of an annuity deposit certificate by the Government;(3)"annuity deposit" means a deposit of the money made under the provisions of Chapter XXIIA of the Income-tax Act, 1961 (43 of 1961) and the Annuity Deposit Scheme;(4)"Annuity Deposit Certificate" means the ten-year annuity deposit certificate referred to in clause (b) of sub-paragraph (1) of paragraph 2 of the Annuity Deposit Scheme;(5)"Annuity Deposit Scheme" means the Annuity Deposit Scheme, 1964, made under Section 280-W of the Income-tax Act, 1961;(6)"Bank" means the Reserve Bank of India;(7)"defaced

annuity deposit certificate" means an annuity deposit certificate which has been made illegible or rendered undecipherable in material parts; Explanation.- For the purposes of this clause and clause (12), material parts of an annuity deposit certificate are those where (i) the number, description and the amount of the annuity deposit or payments of annuities are recorded; (ii) the name of the payee has been written. (8) "deposit office" means (i) any office of the Reserve Bank of India at Bombay (Fort and Byculla), Calcutta, New Delhi, Madras, Bangalore, Kanpur and Nagpur; (ii) any branch within India of the State Bank of India or any of its subsidiary banks; (iii) any other office authorised by the Government to accept annuity deposits; (9) "Form" means a Form as set out in the Schedule to these rules; (10) "Government" means the Central Government; (11) "lost annuity deposit certificate" means an annuity deposit certificate which has actually been lost but does not include an annuity deposit certificate which is in the adverse possession of a person other than the claimant; (12) "mutilated annuity deposit certificate" means an annuity deposit certificate which has been destroyed, torn or damaged in material parts thereof; (13) "Public Debt Office" means the office of the Reserve Bank of India on the books of which an annuity deposit certificate is or may be registered; (14) "section" means a section of the Act.

3. Payment of annuity.-

(1) An annuity deposit certificate may be enfaced for payment of annuities at any branch within India of the State Bank of India or any of its subsidiary banks or at any Public Debt Office. Any change in enfacement of an annuity deposit certificate shall be allowed only if the holder thereof complies with such formalities as may be prescribed by the Public Debt Office. (2) Where an annuity deposit certificate is enfaced at a branch of the State Bank of India or any of its subsidiary Bank, the annuity due shall be paid on presentation of the certificate along with a receipt of Form 6 prescribed under the Annuity Deposit Scheme : Provided that the Public Debt Office may, on presentation of the certificate, pay the annuity due by a warrant payable at the branch where the certificate is enfaced. (3) Where an annuity deposit certificate is enfaced at a Public Debt Office, the annuity due shall be paid, on presentation of the certificate, by means of a warrant payable at the local office of the Bank or branch of the State Bank of India or its subsidiary bank conducting Government treasury work. (4) An Annuity Deposit Certificate shall not be transferable.

4. Nomination.-

(1) A nomination made under paragraph 11 of the Annuity Deposit Scheme shall also be deemed to be a nomination made under these rules and the provisions of that paragraph shall have effect as if they were included in these rules subject to the modification that for the word "depositor", the words "holder of an Annuity Deposit Certificate" had been substituted. (2) The rights which a nominee or nominees have acquired in relation to any annuity deposit certificate under a nomination shall not be affected by reason only of the renewal or sub-division of the certificate or of the issue of a duplicate certificate on the ground that the original has been lost, stolen, destroyed, mutilated or defaced; and the nominee or nominees shall have the same rights in relation to the renewed certificate or each of the certificates issued on sub-division or the duplicate certificate as he or they had in relation to the original certificate.

5. Procedure when an annuity deposit certificate is lost etc.-

(1) Every application for the issue of a duplicate annuity deposit certificate in the place of an annuity deposit certificate which is alleged to have been lost, stolen, destroyed mutilated or defaced, either wholly or in part shall be addressed to the Public Debt Office and shall be accompanied by (a) a statement containing the following particulars: (i) the period for which annuities have been drawn; (ii) the place at which the annuity deposit certificate was, for the time being, enfaced for payment of annuities; (iii) the circumstances attending the loss, theft, destruction, mutilation or defacement; and (iv) whether the loss or theft was reported to the police; (b) the Post Office registration receipt for the cover containing the Annuity Deposit Certificate if the same was lost in transmission by registered post; (c) a copy of the police report, if the loss or theft was reported to the police; (d) an affidavit sworn before a Magistrate testifying that the applicant was the legal holder of the annuity deposit certificate and that the annuity deposit certificate is not in his possession, nor has it been dealt with by him; (e) any portions or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced annuity deposit certificate. (2) A duplicate of the letter sent to the Public Debt Office but not of its enclosures shall be sent to the branch of the State Bank of India or its subsidiary bank where the certificate was enfaced for payment. (3) The Bank shall, if it is satisfied of the loss, theft, destruction, mutilation, or defacement of the annuity deposit certificate, order the Public Debt Office to issue a duplicate annuity deposit certificate.

6. Determination of mutilated annuity deposit certificate requiring renewal.-

It shall be at the option of the Bank to treat an annuity deposit certificate which has been mutilated or defaced, as an annuity deposit certificate requiring issue of a duplicate under Rule 5 or a renewal under Rule 7.

7. When an annuity deposit certificate is required to be renewed.-

(1) A holder of an annuity deposit certificate may be required by the Public Debt Office to receipt the same for renewal in any of the following cases, namely: (a) if the annuity deposit certificate is torn or in any way damaged; (b) if the annuity deposit certificate having been enfaced three times for payment of annuity is presented for re-enfacement; and (c) if, in the opinion of the Public Debt Office, the title of the person presenting the annuity deposit certificate is irregular or not fully proved. (2) When a requisition for renewal of a certificate has been made under sub-rule (1), further payments on the certificate may be refused until it is receipted for renewal and actually renewed.

8. Execution of bond by persons entitled to annuity deposit certificates.-

In cases to which Section 9, Section 10, Section 11 or Section 12 applies the Bank may require any person considered by it as being entitled to an annuity deposit certificate to execute a bond in Form A with one or more sureties approved by the Public Debt Office or to furnish security in the form of Government securities, not exceeding twice the value of the subject-matter of the order, to be held at the disposal of the Bank, to pay to the Bank or to any person to whom the Bank may assign such

bond or security, in furtherance of sub-section (2) of Section 16, the amount thereof.

9. Provision for recognition of title to annuity deposit certificates held by managing member of Hindu Joint family subject to Mitakshara Law.-

The certificate required under the proviso to Section 7 shall be a certificate signed by the District Magistrate after such enquiry, if any, as he considers necessary to determine the matters referred to therein.

10. Receipt for renewal, etc.-

Subject to any general or special instructions from the Bank the Public Debt Office, may on application by the holder, renew or sub-divide an annuity deposit certificate, provided that the annuity deposit certificate has been receipted in Form B or C, as the case may be.

11. Application for grant of information.-

(1) Any person requiring information regarding an annuity deposit certificate in the custody of a Public Debt Office or to inspect the same may apply to that office in writing. (2) Every such application shall state with precision the particulars (namely, the number, description and the face value) of the annuity deposit certificate and shall contain a statement of the purpose for which the information is required and of the interest of the applicant in the annuity deposit certificate. If any of the above particulars of the certificate are not known to the applicant, the Bank may, on application in writing being made to it, direct the Public Debt Office, at its discretion to supply the required particulars, if available, to the applicant subject to such conditions and on payment of such fees, if any, as it may direct.

12. Disposal of application for grant of information.-

The Bank may reject any application for grant of information about any annuity deposit certificate without stating any reason therefor.

13. Indemnity bond and fees in connection with grant of information.-

(1) Before any information is supplied, every applicant shall, if so required by the Bank, execute an indemnity bond as nearly as may be in Form D for such amount as may be specified by the Bank but not exceeding twice the face value of the annuity deposit certificate. (2) Before any information is supplied to him, every applicant shall, if so required by the Bank, pay a fee of one rupee for each annuity deposit certificate in respect of which any information is supplied.

14. Fees.-

(1)The fee for the registration variation or cancellation of a nomination under paragraph 11 of the Annuity Deposit Scheme shall be 50 paise per Rs.100 of the amount of the deposit, as shown by the certificate, subject to a maximum of one rupee per certificate.Provided that no fee shall be payable for registration of the first nomination.(2)An application for renewal, sub-division or issue of a duplicate, of an annuity deposit certificate shall be accompanied by a fee of 25 paise per cent of the face value of each certificate to be issued subject to a minimum of 10 paise and a maximum of one rupee per certificate.(3)The fee referred to in sub-rule (2) shall be paid in multiples of five paise and for this purpose amounts of 21'2 paise and more but less than five paise shall be treated as 5 paise and amounts less than 2112 paise shall be ignored.

15. Disposal of certificates which have been repaid, renewed, etc.-

An annuity deposit certificate in respect of which a duplicate or a new certificate has been issued or all the annuities due have been paid may be perforated, punched, cut or otherwise disposed of by the Bank in such manner as the Bank may consider necessary to ensure that the original certificate is not misused.

16. Application of Public Debt Rules, 1946.-

(1)The provisions of Rule 9 of the Public Debt Rules, 1946 shall apply niutatis niutandis in relation to annuity deposit certificates as they apply in relation to Government securities in the form of stock, subject to the modification that in its application to annuity deposit certificates the said rule shall have effect as if the words "other than a public office" were omitted.(2)Subject to the provisions of sub-rule (1), no provision of the Public Debt Rules, 1946, except Rule 4 thereof shall apply to Government securities in the form of annuity deposit certificates to which these rules apply.

17. Application of the Annuity Deposit Scheme.-

These rules shall be in addition to, and not in derogation of the provisions contained in the Annuity Deposit Scheme.FORM A(See Rule 8)Security BondThis Agreement is made on theday of..... betweenson ofresident of.....of the one part and the Reserve Bank of India of the other part.Whereas I/we claim to be the true and lawful owner/s of the..... Annuity Deposit Certificates specified in Schedule 'A' hereto annexed.And whereas I/we have applied to the Reserve Bank of India for.....of the said Annuity Deposit Certificates and the said Bank have consented so to do upon my/our giving security of Rs.....to meet a claim by a rightful owner to the said Annuity Deposit Certificates in case there shall be such a claim.Now these present witness that in pursuance of the aforesaid agreement I/we hereby oblige myself /ourselves to make good the claim of the rightful owner in respect of the said Annuity Deposit Certificates and I/we hereby further agree that this security bond may be held by the said Bank and the said Bank may assign the security bond to the rightful owner of the said Annuity Deposit certificates.In witness whereof I/we have subscribed my/our name/names day of

.....Signed by the within mentioned in the presence of Principal I/weson of.....resident of.....hereby undertake to make good any claim to the rightful owner of the Annuity Deposit Certificates mentioned in the Schedule hereto in case the principal/ principals makes/make default in payment of the claim by virtue of the above agreement.Signed by the within mentioned in the presence of Surety.

'a' Referred To In The Bond.

Description of the Annuity Number Date of Issue Amount Deposit Certificate FORM B (See Rule 10) Form Of Endorsement For Renewal Of An Annuity Deposit Certificate. Received in lieu hereofa renewed annuity deposit certificate payable towith annuity payable at.....(Signature of the holder) FORM C (See Rule 10) Form Of Endorsement For Sub-Division Of An Annuity Deposit Certificate. Received in lieu hereofAnnuity Deposit Certificates for Rsrespectively with annuity payable at.....(Signature of the holder) FORM D (See Rule 13) Form Of Indemnity Bond Whereas I/weson of.....resident atandson of.....resident at..... claim to be entitled(Here state in what capacity claim to the Annuity Deposit Certificate is made) To the Annuity Deposit Certificate (s) specified in the Schedule hereunder written and have represented to the Reserve Bank of Indiathat the said Annuity Deposit Certificate (s) has/have beenand have applied to the Reserve Bank of Indiafor an inspection of the said Annuity Deposit Certificate (s) and also for all other information and particulars respecting the said Annuity Deposit Certificate (s) and whereas the Reserve Bank of Indiahas agreed to give inspection and to afford to me/us all information and particulars affecting the said Annuity Deposit Certificates. I/We oblige myself /ourselves my/ our heirs and assigns whatsoever (jointly and severally) to guarantee and defend and relieve the Reserve Bank of Indiaand the Government to to extent of Rs.* from all and any claim, question and expenses which may be raised against or incurred by the Reserve Bank of Indiaor the Government in reference to the said Annuity Deposit Certificate (s). In witness hereof I/we have subscribed my/our name(s) thisday ofSigned by the within mentioned in the presence ofApplicant's signature. The Schedule referred to in the foregoing Bond.