

Government Securities Act, 1330F

MAHARASHTRA

India

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Act 2 of 1330

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Government Securities Act, 1330F(Hyderabad Act No. 2 of 1330 Fasli)(Received the assent of H.E.H. the Nizam on 15th Jamadi-ulsani 1339 (Hijri).Whereas it is expedient to enact a law relating to Government securities;It is hereby enacted as follows :-

1. Short title, commencement and extent.

- This Act may be called the Government Securities Act and shall come into force in the [Hyderabad area of the State of Maharashtra] [Substituted by A. O., 1956.] from the date of [publication] [Published in the Official Gazette, dated 17th Ardibehisht, 1330 Fasli.] in the [Official Gazette] [Substituted by A. O., 1956.],

2. Definition of Government Securities.

(1)In this Act "Government Securities" means promissory notes, stock certificates and other securities issued by the Government either before or after the commencement of this Act in respect of any loan contracted by it, but does not include currency notes;(2)Prescribed. - "Prescribed" means prescribed by rules made under this Act.

3. Notice of Trust not receivable.

- Save as otherwise provided in this Act, the Government shall not, in respect of any Government Security, recognise its holder as its trustee. But when any person has obtained succession certificate or probate of the will in respect of any Government security belonging to the estate of a deceased person whose name Is entered in the certificate as its full owner.

4. Rights of survivors of joint payees of Government securities.

(1)Notwithstanding the provisions of section 46 of the Hyderabad Contract Act No. VI of 1316 Fasli, when the amount of any Government security is payable to two or more persons Jointly and one or more of them die, the amount of such security shall be payable to the survivor or survivors.(2)When the amount of any Government security is payable to two or more persons jointly and one or more of them die, the amount of such security shall be payable to the survivor or survivors or to the representative of the deceased or to any of them.(3)Nothing contained in this section shall affect any claim which any representative of a deceased person may have against the survivor or survivors in respect of any Government security payable to the survivor or survivors and the deceased jointly or severally.(4)This section shall apply in every case whether the death of the person to whom any Government security is payable jointly or severally occurred before or occurs after the commencement of this Act.

5. Prohibition to make endorsement except on Government promissory note.

- Notwithstanding the provisions of section 13 of the Hyderabad Negotiable Instruments Act No. V of 1318 F., no transfer of a Government promissory note shall be valid, unless such transfer is made by the holder by an endorsement on such promissory note.

6. Transfer of Government securities to any person in his ex officio capacity.

(1)Where the Government, by notification in the [Official Gazette] [Substituted by A. O. 1956.], has applied this sub section to any Government office. Government securities may be transferred by endorsement, to or to the order of the officer for the time being holding the same, by the name of the office.(2)When a Government security is endorsed as aforesaid, it shall be deemed to be transferred without any further endorsement from the officer for the time being holding office, to the person appointed to the office, from the date of his taking over charge.(3)When the officer holding office for the time being desires to transfer to a third person, any Government security endorsed as aforesaid, he shall subscribe his name and designation to the same.(4)When any Government security has been transferred by endorsement in his ex officio capacity to any person holding any Government office on or before the commencement of this Act, such endorsement shall not be invalid by reason only of the security having been endorsed in the name of a person in his ex officio capacity, and that the name of the officer is not entered therein.(5)This section applies as well to offices to which two or more persons appointed at a time.

7. Endorser of Government security not liable for amount thereof.

- Notwithstanding anything contained in the Hyderabad Negotiable Instruments Act No. V of 1318 Fasli, a person shall not, by reason only of his having endorsed a Government security, be liable in respect of the sum entered therein or any interest thereon.

8. Signature or impression of signatures on Government securities.

(1)The Government shall notify in the [Official Gazette] [Substituted by A. O., 1956.] the officer who shall sign Government securities on behalf of the Government.(2)The signature of the officers authorised to sign Government securities may be printed, engraved, lithographed or impressed on Government securities by mechanical process in such manner as the Government may direct.(3)The signature so printed, engraved, lithographed or impressed shall be valid as if it had been inscribed in the handwriting of the said officer.

9. Issue of duplicate Government securities.

- When a Government security is alleged to have been lost or destroyed wholly or in part and a person claims that but for its loss or destruction it would be payable to him, he may, on application to the prescribed authority and on producing proof to his satisfaction of the loss or destruction and of the justice of his claim and on payment of the prescribed fee, if any, obtain an order, for -(a)the payment of interest in respect of the security said to be lost or destroyed pending the issue of a duplicate security; and(b)the issue of a duplicate security to the applicant.(2)An order shall not be passed under sub-section (1) until the publication of the prescribed notification of the loss or destruction.(3)A list of the securities in respect of which an order is passed under sub-section (1) shall be published in the prescribed manner.

10. Renewal of promissory notes.

- Subject to the provisions of section 11, a person claiming to be entitled to Government promissory note may, on applying to the prescribed authority and on satisfying him of the justice of his claim and delivering to him the promissory note received in the prescribed manner, and paying the prescribed fee, if any, obtain from such authority a renewed promissory note payable to him :Provided that, when application is made for the renewal of a Government promissory note which appears to the prescribed authority to stand in the name of a deceased member of a Hindu undivided family governed by the Mitakshara law, a renewed promissory note shall not be issued to the applicant, unless he produces a certificate from the prescribed authority and after such enquiry as may be prescribed to the effect that the deceased was a member of a Hindu undivided family governed by the Mitakshara law, that the promissory note formed part of the joint property of the family and that the applicant is the karta i.e , manager or the sole surviving male member of the family.

11. Renewal of promissory notes in case of dispute as to title.

(1)Where there is a dispute as to the title to a Government promissory note in respect of which an application for renewal has been made, the prescribed authority 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 note, issued a renewed note in his favour, or(b)refuse to renew a note until such final decision is made, or(c)after such inquiry as is hereinafter provided and consideration of the

result thereof, declare by order in writing which of the parties is in his opinion, entitled to such note and after the expiration of three months from the date of such order in writing issue a renewed note in his favour in accordance with section 10, unless within that period he has received notice, in writing that a suit or proceeding has been instituted by any person in a Court of competent jurisdiction for the purpose of establishing a title to such note. Explanation. - For the purposes of this sub-section, 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 prescribed by law. (2) For the purpose of an enquiry referred to in sub-section (1), the prescribed authority may himself record or may request the District Magistrate to record or to cause to be recorded such evidence as the parties may desire to produce. When such request has been made to the District Magistrate, he may himself record such evidence or may have it recorded by any Magistrate of the first class or of the second class subordinate to him and shall forward a copy thereof to the prescribed authority. Explanation. - For the purposes of this sub-section, District Magistrate means the District Magistrate of the district where interest on the promissory note in dispute is payable. (3) The prescribed authority or any Magistrate recording evidence under this section may, before recording such evidence, administer oath to the witness. (4) Nothing in this section shall bar a claim against the Government in respect of such note by any person who had no notice of the proceeding under this section or who derives title through such person.

12. Renewal of other securities.

- Securities may be renewed in such circumstances and in such manner as may be prescribed.

13. Issue of converted securities.

(1) The prescribed authority may, subject to such conditions as may be prescribed, on the application of a person claiming to be entitled to a Government security, on being satisfied of the justice of the claim and on delivery of the security receipted in the prescribed manner and on payment of the prescribed fee, issue in the name of the applicant a converted security in place of such security or consolidated security or securities in place of securities of lower amounts or securities of lesser amount in place of a security of a larger amount. (2) The securities issued under sub-section (1) may be in respect of one loan or different loans.

14. Liability in respect of renewed promissory notes.

(1) When a renewed security is issued under section 10 or 13, such security shall constitute a new contract between the Government and the person in whose name the security has been issued or/and person deriving title through him. (2) The issue of new security under section 10 or 13 shall not, as against the Government, affect the rights of any other person in respect of the security so renewed or converted.

15. Discharge of Government from liability.

- Save as otherwise provided in the Act,-(1)on payment of the amount due on a Government security after the date on which payment becomes due, or(2)when a duplicate security has been issued under section 9, or(3)when a renewed or converted security has been issued under section 10 or 11 or 13, the Government shall be discharged from all liabilities in respect of the original security the amount of which has been paid or in respect of which duplicate security has been issued or in place of which renewed or converted security or securities 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 security, after the lapse of six years from the date of the publication under sub-section (3) of section 9, of the list in which the security is first mentioned or from the date of the last payment of interest on the original security, whichever date is later;(c)in the case of renewed or converted securities, after the lapse of six years from the date of issue thereof.

16. Procedure on death of the person holding securities of the value of five thousand rupees.

(1)When any person holding Government securities the value of which does not in the aggregate exceed five thousand rupees dies and within six months of the death of such person, probate of the will, or letter of administration of the estate of such person or succession certificate granted under the Act No. III of 1307 Fasli, is not produced before the prescribed authority, such authority may, after inquiry in the manner provided in sub-sections (2) and (3) of section 11, determine the person entitled to the securities or to administer the estate of the deceased, and may,-(a)in the case of securities which are due for repayment, order payment of the amount to such person; and(b)in the case of securities which are not due for repayment, order the issue of new securities in favour of such person.(2)Upon the payment of the amount of or issue of new securities in accordance with sub-section (1), the Government shall be discharged from liability in respect of the original securities.(3)Any creditor or claimant against the estate of the deceased may recover his debt or claim for the person to whom any amount is paid under sub-section (1) and not lawfully utilised by him in the same manner and to the same extent as if he had obtained letters of administration of the estate of the deceased and nothing in this section shall affect the rights of an executor or administrator or representative of the deceased against such person. Such amounts as have been lawfully paid by him in due course of administration of the estate of the deceased shall not be claimed.

17. Payment in case of securities in the name of minor or lunatic.

- Where a Government security stands in the name of a minor or a person who is insane and incapable of managing his affairs the interest accruing on such securities or the capital sum thereof shall be paid in such manner as may be prescribed; provided that in the case of interest the aggregate amount of original securities does not exceed five thousand rupees and in the case of capital sum payable, the sum payable does not exceed five thousand rupees. When the payment of interest or capital sum is made in the aforesaid manner, the Government shall, notwithstanding

anything in any law, be discharged from all liability in respect thereof.

18. Indemnity bond.

- Notwithstanding anything contained in sections 9, 10, 11 and 13, the prescribed authority may in any of the cases mentioned in the said sections -(a)issue duplicate securities or renewed securities or converted securities or consolidated securities or securities of lesser amounts, provided that the applicant executes the prescribed indemnity bond against the claims of persons having any right in respect of the original security; or(b)refuse to issue duplicate or renewed or converted or consolidated securities or securities of lesser amount unless such indemnity bond is executed.

19. Inspection of documents.

- No person shall be entitled to inspect or to receive information from any Government security in possession of the Government or any book, register or other document maintained on behalf of the Government in relation to Government securities, save in such circumstances and manner and subject to such conditions as may be prescribed.

20. Penalties.

(1)If any person, for the purpose of obtaining for himself or for any other person the payment of the interest or capital sum on any Government security or causing the issue of a duplicate security or causing any Government security to be renewed, or obtaining, instead, converted or consolidated Government securities or Government securities of lesser amount, makes to any authority appointed under this Act a statement which is false and which he either knows to be false or does not believe to be true, he shall be punished with imprisonment which may extend to six months or with fine or with both.(2)No Court shall take cognizance of any offence mentioned in sub-section (1) save on the complaint of the authority to whom the false statement was made.

21. Power to make rules.

(1)The Government may, after previous publication, make rules for the purpose of this Act.(2)Such rules may, inter alia, provide for the following matters :-(a)the manner in which payment of interest in respect of Government securities shall be made and acknowledged;(b)the circumstances in which Government securities must be renewed for the interest thereon can be claimed;(c)the fees payable in respect of the issue of duplicate securities or for the renewal or conversion of securities or for the issue of consolidated securities or securities of lesser amount;(d)the proof to be produced by persons applying for duplicate securities;(e)the form and manner of publication of the notification mentioned In sub-section (2) of section 9 and the manner of publication of the list mentioned in sub-section (3) of section 9;(f)the officer who shall exercise the powers and perform the duties specified in sections 9, 10, 11, 13, 16 and 18;(g)the manner of making the enquiry mentioned in the proviso to section 10;(h)the circumstances and the manner in which Government securities may be renewed;(i)the form in which any Government security, delivered for cancellation or renewal or

conversion shall be receipted;(j)the conditions subject to which securities may be converted or consolidated securities or securities of lesser amount shall be issued;(k)the persons to whom and the manner in which payments may be made in respect of securities standing in the name of any minor or a person who is insane and incapable of managing his affairs;(l)the taking of indemnity bonds against adverse claims of third parties from persons who receive the interest or capital sum in respect of any Government security or who obtain duplicate or renewed or converted or consolidated securities or securities of lesser amount;(m)the manner in which any document relating to any security or any endorsement thereon, may, on the request of any person who, for any reason is unable to write, be executed on his behalf;(n)enabling holders of Government stock to be entered in the stock registers as trustees of any particular Trust or as trustees in general and for the recognition of powers of attorney granted by such trustees;(o)the holders of Government stock may hold offices other than Government offices; and the manner in which and the conditions subject to which the stock so standing in the name of the holder of any office may be transferred;(p)the mode of attestation of documents relating to Government stock;(q)all matters connected with the grant of duplicates of Government securities or with the issue of renewed or converted or consolidated securities or securities of lesser amount;(r)the circumstances and the manner in which and the conditions subject to which inspection of securities, books, registers and other documents may be allowed or information relating thereto may be given under section 19.(3)Nothing in rules made under clauses (n) and (o) of sub-section (2), shall, as between trustees or as between trustees and beneficiaries, authorize the trustees to act in contravention of the law applicable to the said Trust or the terms of the instrument of Trust, and the Government or any person holding any stock or acquiring any right therein shall not, by reason only of any entry in the register maintained by the Government in relation to Government stock-holders or of anything in any document relating to Government stock, be deemed to be informed of any Trust or of the fiduciary character of any stock-holder or of any fiduciary obligation in respect of any Government.(4)Rules made under this section shall be published in the [Official Gazette] [Substituted by A. O., 1956.] and shall, after publication, have the same effect as if enacted in this Act.