

The M.P. Electricity (Supply) Finance Rules, 1967

MADHYA PRADESH

India

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Rule THE-M-P-ELECTRICITY-SUPPLY-FINANCE-RULES-1967 of 1967

- Published on 27 July 1967
- Commenced on 27 July 1967
- [This is the version of this document from 27 July 1967.]
- [Note: The original publication document is not available and this content could not be verified.]

The M.P. Electricity (Supply) Finance Rules, 1967 Published vide Notification No. 3071-3056-13-67, dated 27th July, 1967, M.P. Rajpatra Part 4 (Ga) dated 22.11.1968 page 1001 In exercise of the powers conferred by clauses (d) and (e) of sub-section (2) of Section 78 of the Electricity (Supply) Act, 1948 (Central Act No. 54 of 1948), the State Government hereby makes the following Rules, namely : Preliminary

1. Short title.

- These rules may be called the Madhya Pradesh Electricity (Supply) Finance Rules, 1967.

2. Definitions.

- In these rules unless the context otherwise requires :-(a)"Act" means the Electricity (Supply) Act, 1948 (LIV of 1948);(b)"Board" means the Madhya Pradesh State (Electricity) Board;(c)"Bond" includes a mortgage bond, and a mortgage debenture executed or issued by the Board under the Act, whether or not the money borrowed is charged on the works and revenues of the Board or on any specific property forming part of the works of the Board;(d)"Chairman" means the Chairman of the Board;(e)"Government" means the Government of Madhya Pradesh;(f)"Government servant" means a person in the employment of Government;(g)"Member" means a member of the Board;(h)"Section" means a section of the Act;(i)"Security" means any stock or bond issued or any mortgage granted by the Board.II. The Finance of the Board-Borrowing

3. Particulars of Borrowing to be furnished to Government.

- While applying for previous sanction of the Government, under sub-section (1) of Section 65 of the Act, the Board shall furnish all such particulars of the amount, purpose, nature and circumstances of the proposed borrowing as the Government may require.

4. Temporary borrowing by the Board.

- The Board may, for the purpose of meeting any current expenditure properly chargeable to revenue, capital or preliminary expenses connected with the raising of money on the issue of bonds, stock or otherwise, such sums as it may require on such terms, conditions and security, and in such form, as may be approved by the Government. The amount so borrowed, together with the interest thereon, shall be repaid within a period of twelve months from the date of the temporary borrowing, or such extended period as the Government may allow.

5. Power to re-borrow.

(1)The Board shall have power to borrow,-(a)for the purpose of paying off any money previously borrowed by it which is intended to be forthwith repaid, or(b)in order to replace the money which during the previous twelve months has been temporarily applied from other funds of the Board in repaying money previously borrowed in accordance with these rules and which at the time of such repayment it was intended to replace by borrowed money.(2)Any money borrowed under this rule shall for the purpose of repayment be deemed to form part of this original loan.

6. Application of money borrowed.

- Except with the previous sanction of the Government, money raised by the issue or grant of any security shall not be applied to purposes other than those for which the money was raised.

7. Temporary investments.

- The Board may from time to time invest temporarily in such securities as the Government may by general or special order approve any sum raised by the issue or grant of any security and not for time being required for the purpose for which it was raised.

8. Issue of stock.

(1)All stock issued by the Board shall be redeemable stock and shall be created by and issued in pursuance of a resolution of the Board.(2)The Board may issue such class or classes of stock as it may, determine, but each class of stock shall have a distinctive title and shall be issued subject to the condition that all stock at any time belonging to that class shall bear one and the same rate of interest, shall become redeemable at the same time and shall in all other respects be of the same character.(3)Subject to the provisions of the Act and these rules, stock may be issued for such amount, at such price and at such rate of interest as the Board may with the previous approval of Government determine.

9. Redeemability of stock.

- Stock issued by the Board shall be redeemed on the expiration of such period as the Board may, with the approval of the Government by a resolution determine for its redemption :Provided that it may be redeemed before the expiration of the said period, if the Board, by a subsequent resolution so determine :Provided further that no stock shall be liable to be redeemed before the expiration of the latest date for repayment mentioned in the original resolution creating the stock unless at least three months notice of intention to redeem the same has been given.

10. Issue of stock at discount.

(1)Where stock is issued at a price lower than that at which it is to be redeemed; the difference between the price of issue and price of redemption shall for the purposes of these rules be treated as a loan repayable within the period expiring on the earliest date on which the said stock may be redeemed.(2)For the purpose specified in sub-rule (1) the Board shall create a Discount Sinking Fund out of the revenues of the Board for the period of currency of stock or bond issued.

11. Redemption of bonds.

- The Board shall set apart each year, out of its revenues a certain percentage of the nominal value of the bonds (inclusive of discount) to be fixed by the Board each year, for the redemption of the bonds.

12. Power to grant mortgages.

(1)The Board may, subject to the provisions of the Act and these rules mortgage or charge the works and all the revenue of the Board or any specific property forming part of these works :Provided that such mortgage shall be granted only with the previous permission of the Government.(2)No mortgage shall be granted by the Board for a period of less than ten years and no extension of the terms of any mortgage shall be for a period of less than ten years :Provided that the provisions of this sub-rule shall not apply to or in respect of any mortgage charged upon any specific property forming part of the Works of the Board.(3)Subject to the provisions of these rules, every mortgage other than a mortgage of any specific property granted by the Board shall be by deed made in the form specified, or similar to that specified in the Appendix to these rules.

13. Power to issue and renew bonds.

- Subject to the provisions of these rules and any other terms and conditions that may be laid down by the Government, the Board may issue and renew bonds.

14. Security for Bonds.

(1)The principal money and interest for which bonds are issued by the Board shall be secured on the covenant of the Board to pay and the principal money and interest secured by any bonds or class of bonds may in addition be charged upon or secured by a trust deed charging the works and all the revenues of the Board or any specific property forming part of those works.(2)Bonds issued by the Board shall be called 'Madhya Pradesh State Electricity Board Bonds' or 'Madhya Pradesh State Electricity Board Mortgage Bonds' or 'Madhya Pradesh State Electricity Board Mortgage Debentures', as the case may require.(3)Bonds and applications for bonds shall be for amounts of one hundred, five hundred (and one thousand rupees or multiples of one thousand rupees) as may be decided by the Board.(4)The principal money secured by a bond shall be repayable at such date within the period determined by the Government as may be specified in the bond.(5)Nothing in this rule shall be construed as prohibiting the Board from redeeming a bond at any time by agreement with the holder of the bond if it thinks fit to do so.

15. Extinction of securities redeemed or purchased.

- If any security given under the foregoing rule is redeemed or purchased by the Board it shall be extinguished.

16. Unclaimed security.

- If at the end of a period of twenty years after the date on which any class of security is to be redeemed, the Board, by reason of the holder of any security of that class not forthcoming or by reason of any doubt as to the ownership of any such security, is not able to redeem the security the said security shall thereupon be deemed to have been extinguished and the sum credited to revenue.

17. Appointment of Registrars.

- Board shall before making each issues of stock or bonds or soon thereafter and before granting a mortgage appoint and thereafter continue to appoint on such terms and subject to such conditions and instructions not inconsistent with these Rules as it thinks expedient, an officer of the Board or any bank or company as Registrar of the stock or bonds to be issued or as Registrar of mortgages for all or any of the purposes of these rules. The general practice of the Reserve Bank shall apply to all securities issued under these Rules in respect of which the Reserve Bank is appointed as the Registrar.

18. Registers of securities.

- Each Registrar shall maintain a register relating to each class of security for which he is appointed Registrar (hereinafter referred to as, 'the register'). In which shall be entered,-(a)in the case of stock-The name and address of each holder from time to time of bonds of the class to which the register relates and the amount held by him.(b)in the case of mortgages,-(i)the names and address

of the parties to each mortgage, the number and date thereof, the amount for which the same is granted and particulars of the property mortgaged; and(ii)the date of registration of each mortgage and the date on which the same is paid off;(c)in the case of bonds-the name and address of each holder from time to time of bonds of the class to which the register relates, a statement of the amount of the bonds held by him, the periods for which they are issued, and, the property (if any) on which they are charged, and, if the bonds are secured by a trust deed, the numbers and dates of the certificates issued to him as hereinafter provided, or, if the bonds are not so secured, the number of each bond held by him, and the date of registration of each bond and the date on which the same is paid off.

19. Certificate of registered stock and bonds secured by trust deed.

- On the registration of stock or of bonds secured by a trust deed, the appropriate Registrar shall issue to the holder of the stock or bonds a certificate of the proprietorship of such stock or bonds (as the case may be), and such certificate shall be prima facie evidence of the title of the person named therein.

20. Right to transfer securities.

- Subject to these rules and to the terms on which, the security is issued the holder of any security may transfer the same in whole or in part, except that no part of a bond shall be transferred which is not of an amount for which a bond may be issued by the Board.

21. Transfer of stock and bonds secured by trust deed.

(1)Stock and bonds secured by a trust deed shall be transferred by an instrument in writing and shall be executed both by the transferor and the transferee, and duly witnessed and the transfer shall be properly stamped.(2)The instrument of transfer and the certificate to which the same relates shall be deposited with and retained by the appropriate Registrar. Such Registrar shall cause an entry thereof to be made in a book to be called 'the register of transfer', and shall endorse on the deed of transfer a note of that entry, and shall issue a new certificate or certificates to the transferee or the transferor, as the case may require. A separate register of transfers distinguished by a number or otherwise shall be kept for each class of stock and of bonds secured by a trust deed.(3)Not more than one class of stock or bonds shall be included in any transfer and the deed shall relate only to the transfer, and shall not contain any recital, power or proviso whatever.(4)The transfer of stock or of bonds secured by a trust deed shall be deemed to remain the holder thereof until the name of the transferee is entered in the register relating thereto.

22. Transfer of mortgages and bonds not secured by trust deed.

(1)Mortgages and bonds not secured by a trust deed shall be transferred by an instrument in writing. Each such deed shall be duly stamped and shall state its date and the consideration for the transfer and may be endorsed on the mortgage or bond to which it relates.(2)The appropriate Register shall

keep a register of transfers of mortgages or of bonds not secured by a trust deed, and as soon as may be after the date of every transfer, the deed of transfer shall be produced to the appropriate Register, who shall cause entries to be made in the appropriate register of transfer, the date of such deed, the names and addresses of the parties thereto and the number of the mortgage or bond transferred thereby and until such entries have been made neither the Board nor the Registrar shall be in any manner responsible to the transferee. A separate register of transfers of bonds, distinguished by a number or otherwise, shall be kept for such class of bonds not secured by a trust deed.(3)On the registration of any transfer of a mortgage or of a bond not secured by a trust deed, the transferee, or his executors or administrators, shall be entitled to the full benefit of the original mortgage or bond and the principal and interest secured thereby.(4)No person, except the last transferee registered as aforesaid, or his executors or administrators shall be entitled to transfer, release or discharge any such mortgage or bond or any money secured thereby.

23. Inspection of register of mortgages.

- The register of mortgages shall be open to inspection at all reasonable times by any mortgage, or other person entitled to a mortgage, free of charge and by any other person on payment of a fee not exceeding Rs. 5 as the Board may from time to time determine.

24. No notice of trusts.

- No notice of any trust, express, implied or constructive in respect of any security shall be entered in any register or in any other book kept by the Board or any Register, or/on any certificate, or in any mortgage or in any transfer of any security, or be receivable by the Board or any Register or affect any Register or the Board through any Register or otherwise, and the receipt of any person in whose name any security stands in the register relating thereto shall be a sufficient discharge to the Board for any money paid in respect of such security.

25. Transfer on death.

(1)The interest of a deceased holder of any security shall be transferable by his executors or administrators.(2)Where two or more persons are registered as holders of security those persons shall be deemed to be joint holders of such security with right of survivorship between them.(3)The Board or the appropriate Registrar may refuse to allow any executors or administrators to transfer any security until the probate of the will or the letters of administration to the estate of the deceased or a succession certificate under the Indian Succession Act, 1925, Central Act XXXIX of 1925 has or have been left with the Registrar for registration and may require all the executors or the administrators to join in the transfer.

26. Transfer otherwise than by death of holder or transfer in book or by deed.

(1)If the interest in any security has been transferred by any lawful means other than a transfer in books or a deed in accordance with these Rules on the death of a holder of the security, satisfactory

evidence of the transfer shall be furnished to the appropriate Register by an affidavit of one or more competent persons or in such other manner as such Registrar, with the approval of the Board may require.(2)The name of person entitled under the transfer shall be entered in the Appropriate Register.(3)Until evidence has been furnished in accordance with sub-rule (1), the Board or such Registrar shall not recognise the transfer and no person claiming under the transfer shall be entitled to receive any interest on the security.(4)For the purposes of this Rule, the expression 'transfer' includes any case of apparent transfer in the name of the holder of a security although the actual ownership of the security may remain unaltered.

27. Change of register.

- Subject to the conditions on which any security is issued, the Board may at any time determine the appointment of the Registrar for the time being of that security and appoint another Registrar in his place.

28. Registrar may take fees, etc.

- A Registrar may refuse to permit an entry to be made in the stock transfer books kept by him, or to register any transfer of a security unless,-(i)the fee hereinafter mentioned is paid in respect thereof, and the instrument of transfer is accompanied either by the certificate, or the deed creating the mortgage, or (in the case of a bond not secured by a trust deed) the bond to which it relates (as the case may be), and(ii)such other evidence (if any) as he may reasonably require to show the rights of the transferor to make the transfer is produced.

29. Registration fees.

(1)Except as otherwise provided by the conditions on which any security is issued, the appropriate Registrar shall be entitled to charge a fee not exceeding Rs. 3 as the Board may from time to time prescribe in respect of the registration of each one of the following :-(a)any transfer,(b)probate of will or letters of administration,(c)change of name,(d)power of attorney,(e)order of Court, and(f)any other document affecting the registration of a security.(2)If any such registration affects more than one class of security a separate fee may be charged in respect of each class.

30. Registers to be prima facie evidence.

- Each Register shall be prima facie evidence of any matter entered therein in accordance with these rules and of the title of any person entered therein as the holder of a security.

31. Defaced or lost certificates.

(1)If any certificate of any security is worn or defaced, the appropriate Registrar shall on surrender of the certificate and payment of a fee not exceeding Rs. 3 issue a new certificate to the person entitled to the surrendered certificate.(2)If it is shown to the satisfaction of the appropriate

Registrar that any such certificate has been lost or destroyed he shall, after due notification in the Official Gazette and on receiving indemnity to his satisfaction against all claims in respect of the lost or destroyed certificate and on payment of the charges of notification and a fee not more than Rs. 3, issue a new certificate to the person entitled to the lost or destroyed certificate.(3)A memorandum of the issue of a new certificate shall be made thereon and in the appropriate register.

32. Closing of transfer books, etc.

(1)The appropriate Registrar with the approval of the Board may close the register of transfer of any class of security for a period not exceeding thirty days immediately preceding the date for the payment of interest on the security.(2)The persons who on the day of closing in accordance with sub-rule (1) are registered as holders of any security shall be entitled to the interest next payable thereon.

33. Arrangements with bankers.

- The Board may subject to the provisions of these rules make any arrangement with and provide for the proper remuneration of, any banking, or other company brokers or financial agents with respect to the issue of securities, the registration and transfer of securities, the payment of interest on securities; the keeping of books and other matters incidental to the issue, management, redemption and repayment of securities.

34. Authentication of Bonds.

- The authentication of bonds not secured on any trust deed shall be either by affixing the signature or by lithographing the signature of the Chairman or any other Member or officer of the Board authorised in this behalf. If the signature is lithographed, the bond shall be, before issue, countersigned by the Registrar of Securities.

35. Protection of lenders and holders of securities.

- A person lending money to the Board or holding any security shall not be under any obligation to enquire into or to take notice of, whether the borrowing or the creation or issue or grant of such security was or was not within the competence of the Board under the Act or these rules or whether or not the Board or any meeting thereof was properly constituted or convened, or whether or not the proceedings at any meeting of the Board were legal or regular, or to see to the application of any money borrowed or raised by any security or be answerable for any loss or misapplication thereof.

36. Protection of purchaser of land or property.

- Where the Board sell, lease or otherwise dispose of any land or property charged as security for any mortgage or bond (other than land or property specifically mortgaged or charged) the land or property shall, in the hands of the transferee or lessee, be absolutely free from any charge for that

purpose, and no transferee or lessee shall be bound to inquire into the application of the money arising from such sale, lease or disposal or be it any way responsible for the misapplication or non-application thereof.

37. Ownership of stocks and bonds.

- The registered holders of stocks and bonds and the mortgages whose name appear in the register shall, so far as payment of interest and principal to be made by the Board is concerned, be regarded as the owners thereof and on payment being made the Board shall be discharged for the amount paid.

38. Saving of power of revocation.

- The Board may, by resolution, revoke at any time, in whole or in part, any resolution for the creation of any security passed by the Board if and so far as the same has not been acted on by the issue or grant of securities thereunder and shall forthwith give notice of any such revocation to the Government.

39. Saving for Government.

- No security shall be issued or granted as a security in respect of which the payment of the principal and interest of the principal or interest is guaranteed by Government until the amount, price, rate of interest, date and method of issue of such security, the arrangements for the application of the proceeds of the issue and for the repayment of the proceeds have been previously approved by the Government and no variation of any such arrangements shall be made without the like approval of the Government. Appendix [See Sub-rule (2) of Rule 12] Form of Mortgage [M.P. State Electricity Board] No. Rs. By virtue of the Electricity (Supply) Act, 1948, the Madhya Pradesh State Electricity (Supply) Finance Rules, 1967, and of other powers, enabling it in that behalf the M.P. State Electricity Board (hereinafter referred to as "The Board") in consideration of the sum of Rs. (hereinafter referred to as "the principal sum") paid to the Board by of (hereinafter referred to as "the mortgagee") do hereby grant and assign unto the mortgagees, (his) executors, administrators and assigns such proportion of the undertaking and revenues of the Board as the principal sum both or shall bear to the whole sum which is or shall be charged on the said undertaking and revenues. To hold unto the mortgagee, (his) executors, administrators and assigns from the day of date of these presents until the principal shall be fully paid and satisfied with the interest for the same (subject as hereinafter provided) at the rate of per centum per annum from the day of nineteen hundred and until the payment of the principal sum, such interest to be paid half-yearly on the day of in each year, and it is hereby agreed that the principal sum shall be repaid at the principal office of the (Registrar of Mortgages of the) Board on the day of Nineteen hundred and Provided always and it is hereby agreed and declared that the before-mentioned time for repayment may from time to time by agreement between the Board and the mortgagee be extended to a subsequent day and upon any such extension the before mentioned rate of interest may be altered to such other rate or rates of interest as shall from time to time be agreed upon between the Board and the mortgagee and mentioned in

an endorsement to be made hereon under the hand of the Chairman or Secretary of the Board for the time being and that upon any such endorsement being made whether relating to extension of time only or to extension of time with alteration of rate of interest the provisions thereof shall be incorporated herewith and shall operate and take effect as though they had been originally interested herein. In witness whereof the Board have caused its common seal to be hereunto affixed this..... day of..... nineteen hundred and..... Secretary of the Board The Endorsement within referred to..... The within named..... consenting the within mentioned..... time for repayment of the within mentioned principal sum of Rs..... is..... hereby extended to the day of..... nineteen hundred and..... (and the interest to be paid thereon on and from the..... day of..... nineteen hundred..... and is hereby declared to be at the rate of per centum per annum.)..... Date..... this..... day of..... nineteen hundred and.....