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**Section II**  
**THE PUBLIC DEBT RULES, 1946**

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## \*PUBLIC DEBT RULES, 1946

**Introduction.**—In exercise of the powers conferred by section 28 of the Public Debt Act, 1944 (18 of 1944), the Central Government is pleased to make 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 †Rules, 1946.

†(2) These Rules shall come into force on the 1st May, 1946.

‡(3) They shall apply to all securities to which the Public Debt Act, 1944 (18 of 1944), applies.

2. **Definitions.**—In these rules, unless there is anything repugnant in the subject or context—

(1) “the act” means the Public Debt †Act, 1944 (18 of 1944);

(2) “the Bank” means the Reserve Bank of India;

‡(2-A) “The Government” in relation to any Government security means the Central or State Government issuing the security ;

↖(3) “District Magistrate” means every person exercising all or any of the powers of a District Magistrate as defined under the Code of Criminal Procedure for the time being in force;

(4) “Officer of the Bank” means the officer appointed by the Reserve Bank of India to perform the duties under the Act;

(5) “Form” means a form as set out in the Schedule to these rules ;

(6) “Public Debt Office” means the office of the Reserve Bank of India on the books of which Government security is registered or may be registered;

(7) “Mutilated Security” means a security which has been destroyed, torn or damaged in material parts thereof and the material parts of a security are those where—

(i) the number, loan to which it belongs and the face value of the security or payments of interest are recorded, or

(ii) the endorsement or the name of the payee is written or the transfer is executed, or

(iii) the renewal receipt is supplied ;

(8) “Lost Security” means a security which has actually been lost and shall not mean a security which is in possession of some person adversely to the claimant;

(9) “Defaced Security” means a security which has been made illegible or rendered undecipherable in material parts;

\*Finance Department Notification No. F. 9(1)-B./46, dated the 20th April 1946.

†Vide M. F. (D. E. A.) Notification No. 7(33)-B/56, dated 3-10-56.

‡Vide M. F. Notification No. F. 8(12)-B/49, dated 29-10-49.

\* (10) "scheduled bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934); and

(11) "Co-operative society" means a society registered or deemed to have been registered under the Co-operative Societies Act, 1912 (2 of 1912) or under any other law for the time being in force relating to co-operative societies and includes a co-operative bank so registered.

**3. Forms of Government securities.**—A Government security may be held or issued in the form of—

(1) a Government promissory note payable to or to the order of a certain person;

(2) a bearer bond payable to bearer provided the issue in this form is permitted in respect of the loan to which the security appertains by a notification in the Gazette of India or the official Gazette of the State according as the notification relates to the security of the Central or the State Government;

(3) stock in the manner laid down in Rule 5 hereunder;

(4) a treasury bill payable to or to the order of a certain person;

(5) a promissory note in Form I issuable to a Ruler of a former Indian State.

**4. Form of Government Security which may be prescribed under Section 2.**—The Government may, by notification in the Official Gazette,

(a) in relation to any Security to be issued under sub-clause (a) (iv) of clause (2) of Section 2 of the Act, specify the form thereof; and

(b) in relation to any Security to be issued under sub-clause (b) of clause (2) of Section 2, for the purpose of the Act, specify the form thereof including the provision for the transferability or otherwise of such Security.

**5. Stock.**—Stock may be—

(1) registered in the books of the Public Debt Office, for which stock certificates are issued; or

(2) held, subject to such conditions and restrictions as the Government may prescribe, at credit of the holder in the Subsidiary General Ledger Account maintained by the Public Debt Office.

**6. Security in special form issuable to a Ruler of a former Indian State.**—(1) Government securities may be issued to the ruler of a former Indian State at his request in Form I, provided that—

(a) the Ruler has been admitted to this privilege by order of the Central Government, and

\* Vide M. F. (D. E. A.) Notification No. 12(33)-NS/57, dated 7-8-59.

† Vide M. F. (D. E. A.) Notification No. F. 8(12)-B/49 dated the 29th October 1949.

‡ Vide M. F. (D. E. A.) Notification No. 7(33)-B/56 dated 3rd October 1936.

§ Vide M. F. (D. E. A.) Notification No. 3(1) W & M/60 dated 10-5-60.

(b) the total amount in this form including the amount applied for is not less than Rs. 50,000.

(2) Notes issued in accordance with sub-rule (1) shall be in the name of the Ruler by which he is designated and his successors, and property in them, save as otherwise provided, shall devolve by succession.

(3) The provisions prescribed for payment of interest on, and payment of principal of a Government promissory note shall apply to a security issued under this rule.

**7. Transfer of different forms of securities.**—The different forms of Government securities shall be transferable only in the manner hereunder—

(1) A Government promissory note or a treasury bill:—

(a) It shall be transferable by endorsement and delivery like a promissory note payable to order.

(b) No endorsement of a Government promissory note or a treasury bill shall be valid unless made by the signature of the holder or his duly constituted attorney or representative inscribed on the back of the security itself.

(c) No writing on a Government promissory note or a treasury bill is valid for the purpose of negotiation if such writing purports to transfer only a part of the amount denominated by the security.

(d) The treasury or sub-treasury, or any office of the Bank or the Public Debt Office may decline to accept a Government promissory note or a treasury bill endorsed in blank for any purpose unless the endorsement in blank is converted into that in full before presentation.

(2) Bearer bonds shall be transferable by delivery. The person in possession of the bond shall be deemed to be a holder of the bond.

**Amended vide Govt. Notification dated 2<sup>nd</sup> June 1995**

Form III & III(i) replaced with new form III which will be applicable for dated Govt. securities and Treasury Bills as per Govt.'s Notification dated 2<sup>nd</sup> June 1995 as per slip attached.

(3) A Government security issued in the form of a Treasury Savings Deposit Certificate whether before or after the commencement of the Public Debt (Amendment) Rules, 1960, for in the form of a Defence Deposit Certificate may be transferred subject to the following conditions, namely:—

(a) the transfer shall be made in writing in Form IIIA;

(b) the transfer may relate to the whole amount for which the certificate is issued or to a part thereof;

\* Vide M. F. (D. E. A.) Notification No. 13(36)(1)-NS/59 dated 30-7-60.

† Vide M. F. (D. E. A.) Notification No. GER 1509 dated 10-11-62.

- (c) the transfer shall be made only to a person who is himself eligible to hold a Treasury Savings Deposit Certificate \*or a Defence Deposit Certificate;
- (d) the transfer shall not take effect until it is registered in the Public Debt Office;
- (e) any transfer during the period of one year from the date of issue of the certificate may be made only to—
  - (i) a near relative (husband, wife, lineal ascendant or descendant, brother or sister) for natural love and affection;
  - (ii) any other person under the orders of a court of law.

(3B) Notwithstanding anything contained in clause (e) of sub-rule (3A) but subject to the conditions specified in clauses (a), (b), (c) and (d) of that sub-rule, a Treasury Savings Deposit Certificate \*or a Defence Deposit Certificate may be transferred by way of pledge or security to—

- (a) a Gazetted Officer of Government in his official capacity;
- (b) a local authority or any officer of such local authority;
- (c) the Reserve Bank of India, a scheduled bank or a co-operative society including a co-operative bank; or
- (d) any other corporation or a Government company as defined in section 617 of the Companies Act, 1956.

**Explanation.**—In this sub-rule—

- (a) "Local authority" means a municipal corporation, municipal committee, district board, body of Port Commissioners or other authority legally entitled to or entrusted by the Government with the control or management of a municipal or local fund;
- (b) "corporation" means a corporation established by or under any law for the time being in force but does not include a company or a foreign company as defined in the Companies Act, 1956.

(4) Promissory notes in Form I issued to a Ruler of a former †Indian State are transferable by an endorsement by the Ruler of the State for the time being. The transferee of any such note shall not be capable of negotiating or drawing interest on the same when so transferred, but shall be entitled on surrender to the Public Debt Office of the note so transferred duly received in Form XVI and on payment of the prescribed fee to obtain therefrom Government promissory note or notes for the nominal value of the note so transferred.

@(5) A Government security issued in the form of a Defence Certificate may be transferred subject to the following conditions, namely :—

- (a) the transfer shall be made in writing in Form IIID, printed on the reverse of the Certificate;

\*Vide M. F. (D. E. A.) Notification No. GSR 1509 dated 10-11-62.

†Vide M. F. (D. E. A.) Notification No. 8(12)-B/49 dated 29-10-49.

@Vide M. F. (D. E. A.) Notification No. GSR 144 dated 21-1-1964.

- (b) the transfer shall relate to the whole amount for which the Certificate is issued and not for any part thereof; and
- (c) the transfer shall not take effect until it is registered in the Public Debt Office, New Delhi.

**@7A. Nomination in respect of a Treasury Savings Deposit Certificate or a Defence Deposit Certificate.**—(1) A sole holder or a sole surviving holder of a Government security issued in the form of Treasury Savings Deposit Certificate [whether before or after the commencement of the Public Debt (Amendment) Rules, 1960] or in the form of a Defence Deposit Certificate, who is not a minor and who holds the certificate in his individual capacity and not in the capacity of the holder of an office or otherwise may nominate a person or persons who shall be entitled to the certificate and to payment thereon in the event of the death of the holder:

Provided that—

- (a) the person or each of the persons nominated is himself competent to hold a certificate, and
- (b) the nomination is made either before maturity of the certificate or after maturity, during the period for which the certificate earns interest.

(2) Every nomination under sub-rule (1) whether in substitution of a nomination already made or not, shall be made in form IIIB.

(3) A nomination made under this rule may on a subsequent date be cancelled in writing in form IIIC.

(4) As soon as possible after a nomination is made or a nomination already made is cancelled, the person making or cancelling the nomination shall send to the Public Debt Office the form of nomination or cancellation, as the case may be, together with the certificate to which it relates and the fee prescribed in sub-rule (5); and thereupon the Public Debt Office shall register the nomination or, as the case may be, the cancellation in its books and return the certificate with an endorsement thereon that a nomination has been made in respect of the certificate or that the nomination already made has been cancelled.

(5) The fee for the registration of a nomination or any cancellation thereof shall be 25 nP. for every Rs. 50 of the nominal value of the certificate subject to a maximum of Re. 1 per certificate:

Provided that no fee shall be charged for the registration of the first nomination in respect of any certificate.

(6) No nomination or cancellation of a nomination shall take effect unless and until it has been registered in the Public Debt Office in accordance with this rule.

**7B. Effect of nomination on renewal, etc.**—(1) The rights which a nominee or nominees have acquired in relation to a Treasury

@Vide M. F. (D. E. A.) Notification No. 13(30) (i)-NS/59 dated 30-7-60.

\*Vide M. F. (D. E. A.) Notification No. GSR 1509 dated 10-11-62.

Savings Deposit Certificate \*or a Defence Deposit Certificate under a nomination duly made and registered under rule 7A, shall not be affected by reason only of the renewal or sub-division of the certificate or 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:

Provided that where a certificate is sub-divided in pursuance of a transfer of a part of such certificate, nothing in this sub-rule shall apply to the new certificate issued to the transferee.

(2) Notwithstanding anything contained in sub-rule (1) of rule 24, a Treasury Savings Deposit Certificate \*or a Defence Deposit Certificate which is subject to nomination in favour of a person or persons shall not be consolidated with any other Treasury Savings Deposit Certificate \*or a Defence Deposit Certificate unless the latter is also subject to nomination in favour of the same person or persons; and where two or more such certificates are consolidated, the person or persons shall have the same rights in relation to the consolidated certificate as he or they had in relation to each of the certificates to consolidated.

†7C. **Nomination in respect of a Defence Certificate.**—(1) A holder of a Government Security issued in the form of a Defence Certificate, who is not a minor and who holds the security in his individual capacity may, if the certificate has not matured for payment, nominate a person or persons who shall be entitled to the certificate and to payment thereon in the event of the death of the holder.

(2) Every nomination under sub-rule (1) whether in substitution of a nomination already made or not shall be made in Form III E.

(3) A nomination made under this rule may on a subsequent date be cancelled in writing in Form III F.

(4) As soon as possible after a nomination is made or a nomination already made is cancelled, the person making or cancelling the nomination shall send to the Public Debt Office, New Delhi, the form of nomination or cancellation, as the case may be, and thereupon the Public Debt Office shall register the nomination or cancellation, as the case may be, in its books.

(5) No nomination or cancellation of a nomination shall take effect unless it has been registered in the Public Debt Office, New Delhi in accordance with this Rule.

†7D. **Effect of nomination on renewal etc. of a Defence Certificate.**—(1) The rights which a nominee or nominees have acquired in relation to a Defence Certificate under a nomination duly made and registered under Rule 7C shall not be affected by reason only

\*Vide M. F. (D.E.A.) Notification No. GSR 1509 dated 10-11-62.

†Vide M. F. (D.E.A.) Notification GSR 144 dated 21-1-1964.

of the renewal or sub-division of the certificate or 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.

(2) Notwithstanding anything contained in sub-rule (1) of Rule 24, a Defence Certificate which is subject to nomination in favour of a person or persons shall not be consolidated with any other Defence Certificate unless the latter is also subject to nomination in favour of the same person or persons; and where two or more such certificates are consolidated, the person or persons shall have the same rights in relation to the consolidated certificate as he or they had in relation to each of the certificates so consolidated.

**8. Provision for holding stock by trustees and office holders.—**

(1) Government securities in the form of stock may be held by a holder of an office other than a public office—

- (a) in his personal name, described in the books of the Public Debt Office and in the stock certificate as a trustee, whether as a trustee of the trust specified in his application or as a trustee without any such qualification, or
- (b) by the name of his office.

(2) On an application made in writing to the Public Debt Office in the Form required by that office, by the person in whose name a Government security stands and on surrender of the security the Public Debt Office may—

- (a) make an entry in their books describing him as a trustee of a specified trust or as a trustee without specification of any trust and issue a stock certificate in his name described as trustee with or without the specification of the trust as the case may be, or
- (b) issue a stock certificate to him by the name of his office and make entry in its books describing him as the holder of the stock by the name of his office, according to the applicant's request provided—
  - (i) the request is in conformity with the provisions of sub-rule (1) hereof,
  - (ii) the necessary evidence required by the Public Debt Office in terms of sub-rule 7 has been furnished, and
  - \* (iii) the Government security in the form of a Government promissory note has been endorsed in the case of securities of the Central Government in favour of the President of India, and in the case of securities of State Governments in favour of the Governor of the State concerned.

(3) The stock certificate under sub-rule (1) may be held by the holder of the office either alone or jointly with a person or persons holding an office, other than a public Office, or another person or an official authorised to hold securities by the name of his office.

(4) When stock is held by a person in the name of his office, any document relating to the stock concerned may be executed by the person for the time being holding the office by the name in which the stock is held as if his personal name were so stated.

(5) Where any transfer-deed, power-of-attorney or other document purporting to be executed by a stock-holder described in the books of the Public Debt Office as a trustee or as a holder of an office is produced to the Public Debt Office, the Public Debt Office shall not be concerned to inquire whether the stock-holder is entitled under the terms of any trust or document or rules to give any such power or to execute such deed or other document, and may act on the transfer-deed, power-of-attorney or document in the same manner as though the executant is a stock-holder and whether the stock-holder is or is not described in the transfer-deed, power-of-attorney or document as a trustee or as a holder of an office and whether he does or does not purport to execute the transfer-deed, power-of-attorney or document in his capacity as a trustee or as a holder of the office.

(6) Nothing in these rules shall, as between any trustees or office-holders, or as between any trustees or office-holders and the beneficiaries, under a trust or any document or rules, be deemed to authorise the trustees or office-holders to act otherwise than in accordance with the rules of law applying to trust the terms of the instrument constituting the trust, or the rules governing the association, of which the stock-holder is a holder of an office; and neither the Government nor any person holding or acquiring any interest in any Government stock shall, by reason only of any entry in any register maintained by or on behalf of the Government in relation to any Government stock or any stock-holder, or of anything in any document relating to Government stock, be affected with notice of any trust or of the fiduciary character of any stock-holder or of any fiduciary obligation attaching to the holding of any Government stock.

(7) Before acting on any application made, or on any document purporting to be executed, in pursuance of this rule by a person as being the holder of any office, the Public Debt Office may require the production of evidence that such person is the holder for the time being of that office.

**\*8-A. Provision for holding Treasury Savings Deposit Certificates or Defence Deposit Certificates by Trustees and office-holders.**—The provisions of Rule 8 shall apply *mutatis mutandis* in relation to Treasury Savings Deposit Certificates and Defence Deposit Certificates as they apply in relation to Government securities in the form of stock, subject to the modification that in its



application to Treasury Savings Deposit Certificates and Defence Deposit Certificates the said Rule shall have effect as if the words "other than a public office" were omitted.

**\*8-B. Purchase of Treasury Savings Deposit Certificates and Defence Deposit Certificates through Scheduled Banks and Co-operative Societies.**—(1) Where an application for investment in Treasury Savings Deposit Certificates for Defence Deposit Certificates has been signed by a scheduled bank or a co-operative society purporting to do so on behalf of another person, the Public Debt Office may, if so requested by such bank or society, indicate on the face of the certificate, in addition to the name of the person on whose behalf the application purports to have been made, the name of the bank or society making the application.

(2) Where a Treasury Savings Deposit Certificate or a Defence Deposit Certificate has been issued in the manner indicated in sub-rule (1), the bank or society whose name appears on the Treasury Savings Deposit Certificate for a Defence Deposit Certificate as the case may be, may be regarded by the Public Debt Office as being the duly constituted agent of the person on whose behalf the application is purported to have been made for all purposes connected with such certificate and in particular, as having been authorised by such person to receive all payments and give effective discharge on his behalf.

**@8-C. Provision for holding Defence Certificates by Trustees and office holders.**—The provisions of Rule 8 shall apply *mutatis mutandis* in relation to Defence Certificates as they apply in relation to Government securities in the form of stock, subject to the modification that in its application to Defence Certificates the said Rule shall have effect as if the words 'other than a public office' were omitted.

**9. Payment of interest.**—Payment of interest on a Government security shall be made and acknowledged in the following manner—

(1) **Government promissory note.**—Interest may be made payable,

- (a) in the case of a promissory note of the Central Government at any treasury or sub-treasury in India, and
- (b) in the case of a promissory note of a State Government at any treasury or sub-treasury in the State concerned or at any Public Debt Office.

subject to compliance by the holder with such formalities as the Public Debt Office may require and interest shall accordingly be paid at such treasury or sub-treasury or Public Debt Office on presentation of the note itself. The payee shall give a receipt in Form IV. Where, however, interest on a Government promissory note is payable at a place where a Public Debt Office is located, the note

\*Vide M. F. (D. E. A.) Notification No. 12(33)-NS/57 dated 7-8-59.

†Vide M. F. (D. E. A.) Notification No. GSR 1509 dated 10-11-62.

@Vide M. F. (D. E. A.) Notification No. GSR 144 dated 21-1-1961.

‡Vide M. F. (D. E. A.) Notification No. 7(33)-B/56 dated 3-10-56.

\* (3A) Treasury Savings Deposit Certificate or Defence Deposit Certificate : (a) Subject to the presentation of the Treasury Savings Deposit Certificate or the Defence Deposit Certificate, as the case may be and compliance by the holder thereof with such formalities as the Public Debt Office may require him to comply with interest may be made payable on :-

- (i) a Treasury Savings Deposit Certificate at a Public Debt Office or a treasury or sub-treasury in India;
- (ii) a Defence Deposit Certificate, at a Public Debt Office or a treasury or sub-treasury in India or any Head Post Office or departmental Sub-Post Office doing savings bank work.

Provided that at a place where a Public Debt Office is located, the interest on a Certificate shall not be payable at a treasury or sub-treasury at that place:

Provided further that where interest is made payable at a Post Office such interest shall be paid only by crediting the amount in a savings bank account in that Post Office in the name of the holder or in the names of the holder and any other person or persons.

- (b) The payee shall give a receipt in Form IVA in case the interest is made payable at a treasury or sub-treasury and in Form IVB if it is made payable at a Post Office.
- (c) Where interest on a Certificate is made payable at a Public Debt Office, that office shall, on presentation of the said certificate, issue an interest warrant in favour of the holder payable at the local office of the Bank or any other bank acting as agent or sub-agent of the Bank.
- (d) Notwithstanding anything contained in the foregoing clauses, a Public Debt Office may pay interest on a Certificate, the interest on which is payable at a treasury or sub-treasury or a Head Post Office or a departmental sub-Post Office doing Savings Bank work.

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\* Vide M.F.(D.E.A.) Notification No.GSR 109, dated 13.1.1966

(5) Notwithstanding anything contained in the sub-rules of this rule, the Bank may arrange for payment of interest on a Government security at any place not provided herein.

**10. Payment of prize money.**—The amount of any prize drawn in respect of a Prize Bond shall, after his claim has been admitted by the Bank, be paid in cash or in the form of Government securities according to the terms of the Bond, to the person who presents such prize bond at any office authorised by Government as an office of issue at the time when the loan to which the prize bond belongs was open to subscription.

**11. Procedure when a Government security is lost, etc.**—(1) When a Government security is lost, stolen, destroyed, mutilated or defaced, the person entitled thereto shall apply for the issue of a duplicate security in the manner laid down in Rules 12, 13, 14, 15, 16, 17, 17A \*or 17B as the case may be, to the Public Debt Office at which the security is domiciled or registered with a statement showing particulars, such as number, amount and loan of the security.

(2) The Bank may by its order suspend payment of interest on or the maturity value of the security or postpone the making of any order under section 11 of the Act or the registration of any transfer of the security until the vesting order has been made.

**12. Government Promissory Note**—(1) **Procedure when a Government Promissory Note is lost etc.**—The application for the issue of a duplicate note in place of a Government promissory note which is alleged to have been lost, stolen, destroyed, mutilated or defaced either wholly or in part shall be accompanied by—

Amended vide M.A. Series No. 78 CO.CL.8/4197/88-89  
dated 19<sup>th</sup> June 1992. Govt.'s Notification dated 6<sup>th</sup> January 1990.

for the time being enfac'd;

(vi) the circumstances attending the loss, theft, destruction, mutilation or defacement; and

(vii) whether the loss or theft was reported to the police;

(b) the Post Office registration receipt for the letter containing the note, 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) where the last payment of interest was not made by a warrant issued by the Public Debt Office a letter signed by the officer of the treasury where interest was last paid, certifying the last payment of interest on the note and stating the name of the party to whom such payment was made;

\* M. F. (D. E. A.) Notification No. D. 6285-B I/51 dated 28-7-51 and GSR 144 dated 21-1-1964.

(e) if the applicant is not the holder in whose name the note was originally issued, an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the promissory note and all documentary evidence necessary to trace back the title to the original holder; and

(f) any portion or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced note.

(2) A duplicate of the letter to the Public Debt Office, but not of its enclosures, shall also be sent to the treasury where interest is payable.

(3) The loss, theft, destruction, mutilation or defacement of a Government promissory note or portion of a Government promissory note shall be further notified by the applicant in the following manner:—

✓ (a) in the case of a promissory note of the Central Government in three successive issues of the Gazette of India and of the local official Gazette, if any, of the place where the loss, theft, destruction, mutilation or defacement occurred, and

(b) in the case of a promissory note of a State Government, in three successive issues of the official Gazette of the State concerned and if the loss, theft, destruction, mutilation or defacement occurred at a place outside that State also in three successive issues of the official Gazette, if any, of such place.

Such notification shall be in the form following, or as nearly in such form as circumstances permit:—

"Lost" ("stolen", "destroyed", "mutilated" or "defaced" as the case may be).

"The Government promissory note No. \_\_\_\_\_ of the \_\_\_\_\_

\*(name of the Government concerned) per cent. loan of \_\_\_\_\_ of the \_\_\_\_\_ 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 note and the interest thereupon has been stopped at the Public Debt Office, and that application is about to be 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 security.

Name of person notifying.

Residence."

(4) After the publication of the last notification prescribed in sub-rule (3) of this rule, the Bank shall, if it is satisfied of the loss, theft, destruction, mutilation or defacement of the note and of the justice of the claim of the applicant, cause the particulars of the note

to be included in a list such as is referred to in Rule 18 hereunder, and shall order the Public Debt Office—

(a) if only a portion of the note has been lost, stolen, destroyed, mutilated or defaced, and if a portion of the note sufficient for its identification has been produced, to pay interest and to issue to the applicant, on the execution of the indemnity bond such as is hereinafter mentioned, a duplicate note in place of that of which a portion has been so lost, stolen, destroyed, mutilated or defaced, and on the expiry of such period as the Bank may consider necessary from or immediately after the date of the publication of the said list,

(b) if no portion of the note so lost, stolen, destroyed, mutilated or defaced, sufficient for its identification has been produced—

(I) to pay to the applicant, six \*months after the publication of the said list, and on the execution of an indemnity bond in the manner hereinafter prescribed, the interest in respect of the note so lost, stolen, destroyed, mutilated or defaced till the expiry of the period of three †years as hereunder, and

(II) to issue to the applicant a duplicate note in place of the note so lost, stolen, destroyed, mutilated or defaced three †years after the date of publication of the said list; provided that—

(i) if the date on which the note is due for repayment falls earlier than the date on which the said period of three †years expires, the Bank shall, within six weeks of the former date, invest the principal amount due on the note in the Post Office Savings Bank unless before the expiry of such period, the applicant has made a specific request for the investment of the amount in securities of any of the current rupee loans of the †Government maturing not earlier than the date on which the duplicate is due for issue, and in that case, shall invest the amount in such securities, and deposit the balance if any, left after such investment in the Post Office Savings Bank. It shall repay the amount invested in the Post Office Savings Bank, together with any interest which may have accrued thereon and, if any investment has been made in Government securities, shall deliver such securities, together with the interest accrued thereon to the applicant at the time when a duplicate note would otherwise have been issued, and

(ii) if at any time before the issue of duplicate note the original note is discovered or it appears to the Public Debt Office for other reasons that the order should be rescinded, the matter shall be referred to the Bank for further consideration and in the meantime all action on the order shall be suspended. An order passed under this sub-rule shall on expiry of the †three years referred to therein, become final unless it is in the meantime rescinded or otherwise modified.

\*Vide M. F. (D. E. A.) Notification No. F. 8(11)-B/53 dated 29-1-53.

†Vide M. F. (D.E.A.) Notification No.-F. 8(70)-B/52 dated 29-4-54.

‡Vide M. F. Notification No. F. 8(12)-B/49 dated 29-10-49.

(c) if the note has been lost by enemy action, to pay interest and to issue to the applicant, on the execution of an indemnity bond as is hereinafter mentioned, a duplicate note immediately after the date of the publication of the said list.

(b) The Bank may, at any time prior to the issue of a duplicate note, if it finds sufficient reason, alter or cancel any order made by the Bank under this rule and may also direct that the interval before the issue of a duplicate note shall be extended by such period not exceeding three years as it may think fit.

(6) **Indemnity Bonds.**—(i) (a) when executed under sub-rule (4) (b) (1) and not under Rule 22(8) shall be for twice the amount of the interest involved, that is to say, twice the amount of all back interest accrued due on the note 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 note can be made, and

(b) in all other cases shall be for twice the face value of the note plus twice the amount of interest calculated in accordance with clause (a).

(ii) The Bank may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two sureties as it may think fit, or that in lieu of furnishing personal sureties the applicant shall furnish collateral security in the shape of Government securities to be deposited with it for such amount and period as it may think fit.

### 13. **Treasury Bills—Procedure when a treasury bill is lost, etc.**—

(1) Every application regarding a treasury bill alleged to have been lost, stolen, destroyed, mutilated or defaced, either wholly or in part, shall be addressed to the office or agency of the Bank which issued it, and shall be accompanied by a registration fee of Re. 1 per treasury bill and a statement of the following particulars, namely:—

(i) the circumstances attending the loss, theft, destruction, mutilation or defacement; and

(ii) whether the loss or theft was reported to the police.

(2) The application shall also be accompanied by—

(i) the Post Office registration receipt for the letter containing the treasury bill if lost in transmission by post;

(ii) a copy of the police report, if the loss or theft was reported to the police;

(iii) an affidavit sworn before a magistrate testifying that the claimant was the last legal holder of the treasury bill; and

(iv) any portions or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced treasury bill.

(3) The loss, theft, destruction, mutilation or defacement of a treasury bill shall be further notified by the applicant† in the following manner:—

(a) in the case of treasury bill of the Central Government, in one issue each of the Gazette of India and the local official Gazette, if any, of the place where the loss, theft, destruction, mutilation or defacement occurred, and

\* Vide M. F. (D.E.A.) Notification No. F8 (70)-B/52 dated 29-4-54.

† Vide M. F. Notification No. F8 (12)-B/49 dated 29-10-49.

- (b) in the case of a treasury bill of a State Government in one issue of the official Gazette of the State concerned and if the loss, theft, destruction, mutilation or defacement occurred at a place outside that State, also in one issue of the official Gazette, if any, of such place. Such notification should be in the form following, or as nearly in such form as circumstances permit—"Lost" ("stolen", "destroyed", "mutilated" or "defaced" as the case may be).

"The Treasury Bill No. \_\_\_\_\_ for Rs. \_\_\_\_\_ issued \*by (name of the Government concerned) on \_\_\_\_\_ and maturing after a period of \_\_\_\_\_ months, having been lost (stolen, destroyed, mutilated or defaced) notice is hereby given that application is about to be made for payment of the value of the said Treasury Bill in favour of the undersigned.

Name of person notifying.  
Residence."

(4) After the publication of the notifications prescribed in sub-rule (3) hereof, the Bank shall, if it is satisfied of the loss, theft, destruction, mutilation or defacement of the treasury bill, and of the justice of the claim of the applicant, cause the particulars of the treasury bill to be included in a list such as is referred to in Rule 18 hereunder and may authorise the Office of issue to pay immediately, or if the bill has not matured in the meanwhile, on the date of its maturity, the value of the bill to the applicant on the execution of an indemnity bond such as is hereinafter mentioned, provided that if for any reason the Bank holds that payment of the value of the treasury bill as above would involve risk of loss to Government it may withhold payment thereof, and in that case shall, within six weeks of the date of its decision to withhold payment or of the date of maturity of the treasury bill alleged to have been lost, stolen, destroyed, mutilated or defaced, whichever date is later, invest the amount of the treasury bill in the Post Office Savings Bank, unless, before the expiry of such period, the applicant has made a specific request for the investment of the amount in securities of any of the current rupee loans of the \*Government maturing not earlier than the date on which the amount is due for payment, and in that case the Bank shall invest the amount in such securities and deposit the balance, if any, left after such investment in the Post Office Savings Bank. The Bank shall repay the amount invested in the Post Office Savings Bank, together with any interest which may have accrued thereon and, if any investment has been made in Government securities, shall deliver such securities, together with the interest accrued thereon, to the applicant on the expiry of three† years from the date of publication in the list mentioned above.

(5) The indemnity bond referred to in sub-rule (4) hereof if an indemnity bond has not been executed under Rule 22(8) shall be for twice the value of the treasury bill. The Bank may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two sureties or that in lieu of furnishing

\*Vide M. F. Notification No. F. 8(12)-B/49 dated 29-10-49.

† Vide M. F. (D. E. A.) Notification No. 8 (70)-B/52 dated 29-4-54.

sureties the applicant shall deposit with it collateral security in the shape of Government securities for such amount and period as it may think fit.

**14. Bearer Bonds—Procedure when a bearer bond is lost, etc.—**

(1) Every application for the issue of a duplicate bond in place of a bearer bond which is alleged to have been lost, stolen, destroyed, mutilated or defaced together with its coupons or the coupons of which are alleged to have been lost, stolen, destroyed, mutilated or defaced shall be accompanied by a registration fee of Re. 1 per bond and a statement of the following particulars, namely:—

- (i) particulars of coupons alleged to have been lost or in the possession of the claimant, as the case may be;
- (ii) the name of the Public Debt Office or treasury at which the bond has been registered for payment of interest;
- (iii) the circumstances attending the loss, theft, destruction, mutilation or defacement; and
- (iv) whether the loss or theft was reported to the police.

(2) The application shall be accompanied by—

- (i) the Post Office registration receipt for the letter containing the bearer bond or coupons, or both, if lost in transmission by registered post;
- (ii) a copy of the police report, if the loss or theft was reported to the police;
- (iii) where the last payment of a coupon with regard to the bond was not made by the Public Debt Office, a letter signed by the officer of the treasury at which interest was last paid; certifying the last payment of such coupon;
- (iv) an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the bearer bond;
- (v) any portion or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced bearer bond or coupons, or both; and
- (vi) all coupons which are in possession of the person claiming to be the owner of the bond and coupons.

(3) A duplicate of the letter to the Public Debt Office but not of its enclosures shall also be sent to the treasury at which the bond is registered for payment of coupons.

(4) The loss, theft, destruction, mutilation or defacement of a bearer bond or coupons, or both, shall be further notified by the applicant in the following manner:—

- (a) in the case of a bearer bond of the Central Government in three successive issues of the Gazette of India and of



the local official Gazette, if any, of the place where the loss, theft, destruction, mutilation or defacement occurred, and

- (b) in the case of a bearer bond of a State Government in three successive issues of the official Gazette of that State and if the loss, theft, destruction, mutilation or defacement occurred at a place outside that State also in three successive issues of the official Gazette, if any of such place.

Such notification shall be in the form following, or as nearly in such form as circumstances permit:—

“Lost” (“stolen”, “destroyed”, “mutilated” or “defaced” as the case may be).

“The [bearer bond No.]

[Coupons relating to bearer bond No.] .....  
of the.....

\*(name of the Government concerned)

.....per cent loan.....

(together with coupons or without coupons) for \_\_\_\_\_

Rs. \_\_\_\_\_

for Rs \_\_\_\_\_

having been lost (stolen, destroyed, mutilated or defaced), notice is hereby given that application is about to be made to the Public Debt Office for the issue of a duplicate in favour of the undersigned.

Name of person notifying.

Residence.”

(5) Where a bearer bond is reported to be lost, stolen, destroyed, mutilated or defaced, and the coupons are in the possession of the person claiming to be the owner of the bond and coupons, the Bank shall, on the expiry of such period as the Bank may consider proper from or immediately after the date of the last notification prescribed in sub-rule (4), if satisfied that the bond has been lost, stolen, destroyed, mutilated or defaced and that the claim of the applicant is just, cause the particulars of the bond so lost, stolen, destroyed, mutilated or defaced to be included in a list such as is referred to in Rule 18 hereof and shall order the Public Debt Office to issue to the applicant a duplicate bond with coupons and to pay the amount of any coupons which may be due on the execution of an indemnity bond taken for twice the value of the bond lost, stolen, destroyed, mutilated or defaced if an indemnity bond has not been executed under Rule 22(8) and on the surrender of the unpaid coupons of the original bond.

(6) Where both a bearer bond and its coupons are reported to be lost, stolen, destroyed, mutilated or defaced, the Bank shall on the expiry of two years from the date of the last notification prescribed in sub-rule (4) if *prima facie* grounds exist for believing that the bond and coupons have been lost, stolen, destroyed, mutilated or defaced, and that the claim of the applicant is just, cause the particulars of the bond and coupons so lost, stolen, destroyed, mutilated or defaced to be included in a list such as is referred to in

Rule 18 hereof and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost, stolen, destroyed, mutilated or defaced bond and coupons are first included and on the execution of an indemnity bond taken for twice the value of the bond and twice the value of the coupons due for payment if an indemnity bond has not been executed under Rule 22(8) and unless reasons to the contrary appear (in which case the matter shall be referred back to the Bank) :—

(a) to issue to the applicant a duplicate bond with coupons, and

(b) to pay the amount of any coupon which may be due :

Provided that, if the date on which the bearer bond is due for repayment falls earlier than the date on which the period of six years prescribed in this rule expires, the Bank shall, within six weeks of the former date, invest the amount of the bond in the Post Office Savings Bank, 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.

(7) Where the coupons only of a bearer bond are reported to be lost, stolen, destroyed, mutilated or defaced and the bond with any coupons attached to it is in the possession of the person claiming to be the owner thereof, the Bank, on the expiry of such period as it may consider proper from or immediately after the date of the last notification, prescribed in sub-rule (4), and on being satisfied that the coupons have been lost, stolen, destroyed, mutilated or defaced and that the claim of the applicant is just, shall cause the particulars of the coupons so lost, stolen, destroyed, mutilated or defaced to be included in a list such as is referred to in Rule 18 hereof and shall order the Public Debt Office to issue to the applicant a duplicate bond with coupons which are not due for payment and to pay the amount of any coupons which may be due on the execution of an indemnity bond taken for twice the value of coupons due for payment and on the surrender of the Bearer Bond and the coupons in his possession provided an indemnity bond has not been executed under Rule 22(8).

(8) In making any order under this rule the Bank may direct that the indemnity bond be executed by the applicant alone or by the applicant and two sureties as the Bank may think fit.

(9) A provisional order passed under sub-rule (6) shall, on the expiry of the six years referred to therein become final unless it is in the meantime rescinded or otherwise altered.

(10) The Bank may at any time prior to the issue of a duplicate bond, if it finds sufficient reasons, alter or cancel any order made by the Bank under sub-rule (5), (6) or (7) 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 it thinks fit.

**15. Prize Bonds—Procedure when a prize bond is lost etc.—(1)**

(a) Every application for the issue of a duplicate bond in place of a prize bond which is alleged to have been lost, stolen, destroyed,

mutilated or defaced shall be addressed to the Public Debt Office and shall be accompanied by a registration fee of Re. 1 per bond and a statement of the following particulars, namely:—

- (i) particulars of the number and value of the prize bond and the loan to which it belongs;
- (ii) the name of the office at which the bond was purchased;
- (iii) the circumstances attending the loss, theft, destruction, mutilation or defacement; and
- (iv) whether the loss or theft was reported to the police.

(b) Such application shall be accompanied by:—

- (i) Post Office registration receipt for the letter containing the prize bond, if lost in transmission by registered post;
- (ii) a copy of the police report if the loss or theft was reported to the police;
- (iii) an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the bond; and
- (iv) any portion or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced prize bond.

(2) The loss, theft, destruction, mutilation or defacement of a prize bond shall be further notified by the applicant\* in the following manner:—

(a) in the case of prize bond of the Central Government, in the Gazette of India and the local official Gazette, if any, of the place where the loss, theft, destruction, mutilation or defacement occurred, and

(b) in the case of a prize bond of a State Government, in the official Gazette of that State and if the loss, theft, destruction, mutilation or defacement occurred at a place outside that State, also in the official Gazette, if any, of such place.

Such notification shall be published in such issues of each Gazette, not exceeding three in the case of each, as may be directed by the Bank and shall be in the form following or as nearly in such form as circumstances permit:—

“Lost” (“stolen”, “destroyed”, “mutilated” or “defaced”, as the case may be).

“The Prize bond No. \_\_\_\_\_ of the (name of \*the Government concerned) loan for the face value of Rs. \_\_\_\_\_ having been lost (stolen, destroyed, mutilated or defaced), notice is hereby given that application is about to be made to the Public Debt Office for the issue of a duplicate in favour of the undersigned.

Name of the person notifying.

Residence.”

(3) Where a prize bond is reported to be lost, stolen, destroyed, mutilated or defaced, the Bank shall, on the expiry of two years from the date of the last notification prescribed in sub-rule (2) if

*prima facie* grounds exist for believing that the bond has been lost, stolen, destroyed, mutilated or defaced and that the claim of the applicant is just, cause the particulars of the bond so lost, stolen, destroyed, mutilated or defaced to be included in a list such as is referred to in Rule 18 and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of the publication, as hereinafter provided, of the list in which the lost, stolen, destroyed, mutilated or defaced bond is first included and on the execution of an indemnity bond taken for twice the value of the bond, [if an indemnity bond has not been executed under rule 22(8)] and unless reasons to the contrary appear (in which case the matter shall be referred back to the Bank) to issue to the applicant a duplicate bond :

Provided that, if any prize is drawn but not paid in respect of a prize bond which is alleged to be lost, stolen, destroyed, mutilated or defaced, the amount of such prize shall be invested in such Government securities as the Bank may deem fit and such securities shall be transferred to the applicant, at the time when the duplicate bond is issued, on the execution of an indemnity bond taken for twice the amount of the prize money.

(4) A provisional order passed under sub-rule (3) shall, on the expiry of the six years referred to in that rule, become final:

Provided that the Bank may at any time prior to the issue of a duplicate bond, if it finds sufficient reasons, alter or cancel any such order, 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 it thinks fit.

(5) In making any order under sub-rule, (3) the Bank may direct that the indemnity bond be executed by the applicant alone or by the applicant and two sureties as the Bank may think fit.

**16. Stock Certificate—Procedure when a stock certificate is lost, etc.**—(1) Every application for the issue of a duplicate stock certificate in place of a stock 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) the Post Office registration receipt for the letter containing the stock certificate, if the same was lost in transmission by registered post;

(b) a copy of the police report, if the loss or theft was reported to the police;

(c) an affidavit sworn before a Magistrate testifying that the applicant is the legal holder of the stock certificate and that the stock certificate is neither in his possession nor has it been transferred, pledged or otherwise dealt with by him; and

(d) any portions or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced stock certificate.

(2) The circumstances attending the loss shall be stated in the application.

(3) The Bank shall, if it is satisfied of the loss, theft, destruction, mutilation or defacement of the stock certificate, order the Public Debt Office to issue a duplicate stock certificate in lieu of the original certificate.

17. Procedure when a Government promissory note in special form is lost, etc.—The procedure prescribed in Rule 12 shall apply to a promissory note issued in Form 1, when such note is lost, stolen, destroyed, mutilated or defaced.

\* (17A). Procedure when Treasury Savings Deposit Certificate or Defence Deposit Certificate is lost etc.—(1) Every application for issue of a duplicate certificate in place of a Treasury Savings Deposit Certificate for a Defence 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 of the following particulars, namely:—
  - (i) the last half-year or year, as the case may be, for which interest has been paid;
  - (ii) the place for payment of interest at which the certificate was for the time being encased;
  - (iii) the circumstances of the loss, theft, destruction, mutilation or defacement; and
  - (iv) whether the loss was reported to the police;
- (b) the post office registration receipt for the letter containing the deposit certificate, if it was lost in transmission by 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 is the legal holder of the certificate and that the certificate is not in his possession nor has it been pledged or otherwise dealt with by him; and
- (e) any portions or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced certificate.

(2) A duplicate of the letter to the Public Debt Office but not of its enclosures shall also be sent to the treasury where interest is payable.

(3) The Bank shall, if it is satisfied of the loss, theft, destruction, mutilation or defacement of the certificate, order the Public Debt Office to issue a duplicate Treasury Savings Deposit Certificate for a Defence Deposit Certificate as the case may be in lieu of the original certificate.

@17B. Procedure when a Defence Certificate is lost.—(1) Every application for issue of a duplicate Defence Certificate in place of a Defence Certificate which is alleged to have been lost, stolen, destroyed, mutilated or defaced, either wholly or in part shall be

\*Vide M. F. (D. E. A.) Notification No. D6285 BI/51 dated 29-4-54.

†Vide M. F. (D.E.A.) Notification No. GSR 1509 dated 10-11-62.

@Vide M. F. (DEA) Notification No GSR 144 dt. 21-1-1964.

addressed to the Public Debt Office, New Delhi, and shall be accompanied by—

- (a) a statement of the following particulars, namely:—
    - (i) the circumstances of the loss, theft, destruction, mutilation or defacement; and
    - (ii) whether the loss was reported to the police;
  - (b) the post office registration receipt for the letter containing the Defence Certificate, if it was lost in transmission by 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 is the legal holder of the certificate and that the certificate is not in his possession, nor has it been pledged or otherwise dealt with by him; and
  - (e) any portions or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced certificate.
- (2) The Bank shall, if it is satisfied of the loss, theft, destruction, mutilation or defacement of the certificate, order the Public Debt Office, New Delhi to issue a duplicate Defence Certificate in lieu of the original certificate.

Monthly as per amended advised vide M.A. Series circular No. 78  
 CO.DT. CL.8/ 4197/88-89 dated 19<sup>th</sup> June 1992. Rule 18  
 amended vide above M.A. Series Circular No. 78. Govt.'s  
 Notification dated 6<sup>th</sup> January 1990 with Rule 12.

an order has been passed under Rules 12 to 15, as the case may be, shall be included in the first list published next after the passing of such order and thereafter such notes, treasury bills, bearer bonds, coupons, prize bonds and notes in Form I shall continue to be included in each of the succeeding lists published in the months of January and July or soon thereafter until the expiration of the period prescribed for the issue of duplicates.

(3) The list shall contain as far as possible the following particulars regarding each note, treasury bill, bearer bond, coupon, prize bond, and note in Form I included therein, namely, the name of the Government security, its value, the date from which it bears interest, the number of the applicant, the number and date of the order passed by the Government for the payment of interest or issue of a duplicate and the date of the list in which the Government security or note was first included.

**19. Determination of the title by vesting order.**—Notwithstanding anything contained in Rules 12 to 17B the title to a lost, stolen, destroyed, mutilated or defaced security may be determined by the Bank by its order vesting title to the security or to the payment of interest only or to both.

**20. Determination of a mutilated security as a security requiring renewal.**—It shall be at the option of the Bank to treat a security which has been mutilated or defaced as a security requiring issue of a duplicate under any of the Rules from 12 to 17B or mere renewal under Rule 24.

**21. When Government promissory note is required to be renewed.**—(1) A holder of a Government promissory note may be required by the Public Debt Office to receipt the same for renewal in any of the following cases, namely:—

(a) if only sufficient room remains on the back of the note for one further endorsement or if any word is written upon the note across any existing endorsement or endorsements;

(b) if the note is torn or in any way damaged or crowded with writing or unfit, in the opinion of the Public Debt Office;

(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 in the case of office-holders, by office, or is made otherwise than in one of the endorsement cages on the back of the note;

(d) if the interest on the note has remained undrawn for ten years or more;

(e) if the interest cages on the reverse of the note have been completely filled or if the vacant printed cages on the reverse of the note do not correspond with the half-years for which interest has become due on the date when the note is presented for drawal of interest;

(f) if the note having been enfaced three times for payment of interest is presented for re-enfacement; and

(g) if, in the opinion of the Public Debt Office, the title of the person presenting the note for payment of interest is irregular or not fully proved.

(2) When requisition for renewal of a Government Promissory note has been made under sub-rule (1) payment of any further interest thereon may be refused until it is receipted for renewal and actually renewed.

**\*(21A.) When a Treasury Savings Deposit Certificate or a Defence Deposit Certificate is required to be renewed.**—(1) The holder of a Treasury Savings Deposit Certificate for a Defence 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 certificate is torn or in any way damaged or unfit in the opinion of the Public Debt Office;

\*Vide M.F. (D.E.A.) Notification No. D. 6285-BI/51 dated 28-7-51.

†Vide M.F. (D.E.A.) Notification No. GSR 1509 dated 10-11-62.

(b) if the interest on the certificate has remained undrawn for ten years or more ;

(c) if the interest cages on the reverse of the certificate have been completely filled or if the vacant printed cages on the reverse of the certificate do not correspond with the period for which interest has become due on the date when the certificate is presented for drawal of interest ;

(d) if the certificate having been enfaced three times for payment of interest is presented for re-enfacement; and

(e) if in the opinion of the Public Debt Office the title of the person presenting the certificate for payment of interest is irregular or not fully proved.

(2) When requisition for renewal of a Treasury Savings Deposit Certificate \*or a Defence Deposit Certificate as the case may be has been made under sub-rule (1) payment of any further interest thereon may be refused until it is received for renewal and actually renewed.

‡(21B.) **When a Defence Certificate is required to be renewed.**—The holder of a Defence Certificate may be required by the Public Debt Office, New Delhi, to receipt the same for renewal if it is torn or in any way damaged or unfit in the opinion of the Public Debt Office.

✓ 22. **Procedure for making vesting order.**—(1) In cases to which section 9, 10, or 12 of the Act as the case may be, applies, the Bank may determine the person in the manner hereunder as being entitled in its opinion—

(i) to the security, or

(ii) only to payment of all accrued interest and accruing interest, or

(iii) to the security, and payment of all accrued and accruing interest, and may by its order vest title in such person accordingly.

(2) The person claiming to be entitled to a security or to payment of accrued and accruing interest thereon shall apply to the Bank and adduce documentary evidence in support of his claim.

(3) On receipt of the application by the Bank, the Bank if it contemplates making a vesting order under the Act—

(i) may suspend payment of interest on or the maturity value of the security or postpone the making of any order under section 11 or the registration of any transfer of the security until the vesting order has been made ;

(ii) may, if it considers proper, request a District Magistrate, to record or to have recorded the whole or any part of such evidence as any person whose evidence the Bank requires may produce or direct one of its officers to record such evidence or may receive evidence upon affidavit. Nothing herein shall preclude the

\*Vide M. F. (D. E. A.) Notification No. GSR 1509 dated 10-11-62.

†Vide M.F. Notification No. 7(33)-B/56 dated 3-10-56.

‡Vide M. F. (D.E.A.) Notification No. GSR 144 dated. 21-1-64.



Bank from determining title without enquiry in the manner laid down in this sub-rule except in cases coming under section 12 of the Act.

(4) The Bank shall thereafter give notice in writing to each claimant of whom it has knowledge stating the names of all other claimants and the time when and the officer of the Bank by whom the determination of title will be made.

(5) On the date and at the time fixed in the notice, the officer shall—

(i) examine the evidence adduced by the parties;

(ii) hear the parties affected and record such evidence as they adduce. No further evidence shall be recorded or entertained in cases where—

(a) the District Magistrate \*has been requested to record or to have the evidence recorded, or

(b) the Bank has directed one of its officers to record the evidence; and

(iii) determine the issue as to who is entitled to the security or to payment of interest or to both.

(6) After determination of the issue by the officer, the Bank shall give notice in writing to each claimant of the determination so made.

†(7) The notices prescribed in sub-rules (4) and (6) above shall be published in three successive issues of,

(a) the Gazette of India and the local Official Gazette where they relate to a security of the Central Government, and

(b) the official Gazette of the State concerned, where they relate to security of a State Government,

as soon as possible after the date on which they are respectively issued.

✓(8) The Bank may require the person considered by the Bank as being entitled to the security or to payment of interest or both to execute a bond in Form V, with one or more sureties or to furnish security 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 the bond or security in furtherance of sub-section (2) of section 16 of the Act, the amount thereof.

(9) On the expiry of six months from the issue of the notices referred to in sub-rule (7), the Bank may make an order vesting in the person found by the Bank to be entitled thereto—

(a) the security, or

(b) the payment of accrued and accruing interest on the security, or

\*Vide M. F. (D.E.A.) Notification No. 7 (33)-B/56 dated 3-10-56.

†Vide M. F. Notification No. 8 (12)-B/49 dated 29-10-49.

(c) both the security and the payment of accrued and accruing interest on the security.

(10) When title to the accrued and accruing interest is vested in a person under sub-rule (9) (b), such person shall be deemed as having been granted powers to realise accrued interest and to draw interest that may from time to time become due on the security pending a further order vesting full title.

(11) In the case of a security maturing for payment of principal the Bank may vest title limited to drawal of interest and simultaneously full title to take effect on the maturity of the security.

(12) The person in whom title to the accrued and accruing interest has been vested by the Bank may apply to the Bank for issue of an order vesting full title in him when the security becomes due for payment of the discharge value and the Bank may vest full title in him in the manner laid down in the sub-rules of this rule.

(13) Notwithstanding anything contained in the sub-rules of this rule, the Bank may vest—

(a) title limited to drawal of interest in guardian of a minor or a manager of the property of an insane person, and

(b) full title in the minor or the insane person to take effect on the minor attaining the age of majority or on the insane person becoming sane.

(14) When full title to a Government security is vested under sub-rules (9) (a), 9 (c), (11) or (12) of this rule in a person, such person shall be regarded as having been granted full and unqualified powers, so far as Government and the Bank are concerned, in relation to that security.

**23. Proviso for recognition of title to Government securities held by managing member of Hindu joint family subject to Mitakshara Law.**—The certificate required under the proviso to section 7 of the Act shall be a certificate signed by the District Magistrate after such inquiry (if any) as may in his opinion be necessary to determine the matters in question referred to therein.

**24. Receipt of renewal, etc.**—(1) Subject to any general or special instructions of the Bank, the Public Debt Office may, by its order, on the application of the holder—

(a) renew, sub-divide or consolidate a Government promissory note or notes provided that the note or notes has or have been received in Form VI, VII or VIII as the case may be, or

(b) convert the note or notes into a stock certificate or stock certificates provided that the note or notes has or have been endorsed.\*

(i) in the case of notes of the Central Government "Pay to the President of India", and (ii) in the case of notes of a State

\*M.F. Notification No. F. 8(12)-B/49 dated 29-10-49.

Government "Pay to the Governor of ..... (the name of the State concerned)", or

(c) convert the note or notes into a bearer bond or bearer bonds provided that the note or notes has or have been endorsed in Form IX, or

(d) renew, sub-divide or consolidate a stock certificate or stock certificates provided the stock certificate or stock certificates has or have been received in Form X, XI, or XII, as the case may be, or

(e) convert the stock certificate or stock certificates into a Government promissory note or notes provided the stock certificate or stock certificates has or have been received in Form XIII, or

(f) convert the stock certificate or stock certificates into bearer bond or bonds provided the stock certificate or certificates has or have been received in Form XIV and provided the loan to which the stock certificate or stock certificates appertain, admits of issue of bearer bonds, or

(g) renew, sub-divide, or consolidate a bearer bond or bonds. or

(h) convert the bearer bond or bonds into a stock certificate or certificates, or

(i) convert the bearer bond or bonds into Government promissory note or notes, or

(j) renew a prize bond; or

(k) renew, sub-divide or consolidate a Government promissory note or notes in Form I provided the promissory note or notes has or have been received in Form XVII, XVIII, or XIX, as the case may be, or

(l) convert Government securities of one loan into those of another loan provided—

(i) the inter-loan conversion is permissible, and

(ii) the conditions governing such conversion are complied with, or

(m) convert the note or notes (stock certificate or stock certificates, bearer bond or bearer bonds, as the case may be) into stock to be held at the credit of the account of the holder in the Subsidiary General Ledger, provided the holder is admitted by the Public Debt Office to the facility of holding stock at credit to his account in the Subsidiary General Ledger and the note or notes (stock certificate or stock certificates), is or are received in the form as under:—

"Tendered for cancellation and credit to ..... (name of the holder) Subsidiary General Ledger Account

Signature of the holder"

(n) convert stock held at the credit of the holder's account in the Subsidiary General Ledger into Government promissory note or notes, stock certificate or stock certificates or bearer bond or bearer bonds subject to compliance with such formalities as the Public Debt Office may require,

\* (o) renew, sub-divide or consolidate a Treasury Savings Deposit Certificate for a Defence Deposit Certificate provided that the certificate or certificates has or have been received in Form VIA, VIIA or VIIIA as the case may be.

(p) renew, sub-divide or consolidate a Defence Certificate, provided that the certificate or certificates has or have been received in Form VIB, Form VIIB, or Form VIIIB, as the case may be.

(2) Subject to any general or special instructions of the Bank, the office or the agency which issued a treasury bill may, on the application of the holder thereof renew it provided that the treasury bill has been received in Form XV.

(3) The Public Debt Office may, under any of the sub-rules of this rule, require the applicant to execute a bond in Form V with one or more sureties approved by the Public Debt Office or to furnish security 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 the bond or security in furtherance of sub-section (2) of section 16 of the Act, the amount thereof.

**25. Discharge of a security.**—(1) When a Government security except in the form of a treasury bill, a prize bond, or a @Defence Certificate becomes due for payment of principal, the security in the form of—

- (a) a Government promissory note,
- (b) stock for which stock certificates are issued,
- (c) a promissory note issued in Form I,\*
- \* (d) a bearer bond, and
- \* (e) a Treasury Savings Deposit Certificate,
- † (f) a Defence Deposit Certificate.

shall be presented at the office at which the interest on the security is payable or at the Public Debt Office of domicile and signed except in the case of a bearer bond by the holder on its reverse. In the case of bearer bonds, coupon or coupons, if any, for the half-year succeeding the date of payment of the principal shall be surrendered with the bond or bonds. In the case of stock held in the Subsidiary General Ledger Account, payment of the discharge value shall be made by a pay order issued by the Public Debt Office at which the stock is registered on receipt of a prior demand by the account holder and the acquittance form duly completed by him.

(2) A treasury bill shall be duly discharged by the holder on maturity and presented at the office of issue.

(3) A prize bond shall be presented for payment on maturity at the Public Debt Office or at any office referred to in Rule 10.

\* *Vide* M.F. (D.E.A.) Notification No. 6285-B 1/51 dated 28-7-1951.

† *Vide* M. F. (D. E. A.) Notification GSR 1509 dated 10-11-62.

@ *Vide* M. F. (D. E. A.) Notification No. GSR. 144 dated 21-1-64.

@(3A) A Defence Certificate shall be duly discharged by the holder on maturity and presented for payment at the Public Debt Office, New Delhi.

\* (4) If the Public Debt Office is of the opinion that a doubt exists relating to the title to a Government security, it may require the claimant to execute a bond in Form V with one or more securities approved by the Public Debt Office, or to furnish security not exceeding twice the value of the security, to be held at the disposal of the Bank, to pay to the Bank or to any person to whom the Bank may assign the bond or security, the amount thereof.

†25A. **Disposal of Securities which have been repaid, renewed, converted, etc.**—A Government Security in respect of which a duplicate security or a new security has been issued or which has been discharged by payment 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 security is not misused.

**26. Receipt not required on discharge, etc., of a bearer bond or a prize bond.**—(1) When a bearer bond is presented for discharge, renewal, conversion, sub-division or consolidation, no receipt shall be required.

(2) When a prize bond is presented for discharge or renewal no receipt shall be required.

**27. When executant of a document or maker of an endorsement is unable to write.**—(1) If any person by whom any document relating to a Government security is to be executed or by whom an endorsement is to be made on a Government promissory note, satisfies a Magistrate that he is for any reason unable to write, and that the effect of the document or endorsement is fully understood by him, and that he is the person whom he represents himself to be, such Magistrate may, at the request of that person and subject to the provisions of this rule, execute the document or sign the endorsement on his behalf.

(2) Where any such document is to be executed or an endorsement signed by a Magistrate under this rule on behalf of any person, the Magistrate shall execute the document or sign the endorsement in the presence of that person, and shall enter below his own signature a certificate to the effect that the document was executed, or the endorsement signed, as the case may be, at the request of that person, after having been previously read over to the latter, and that he is satisfied that the effect of the document or the endorsement is fully understood by such person.

(3) Nothing in the above sub-rules shall preclude the Bank from acting upon the execution of a document relating to a Government security, or on an endorsement thereon in a manner otherwise than referred to above, provided the Bank is satisfied as to the genuineness and validity of the execution of the document or endorsement on the Government security.

@Vide M. F. (D. E. A.) Notification No. GSR 144 dated 21-1-1964.

\*Vide M.F. (D.E.A.) Notification No. F. 8(4)-B/52 dated 5-7-1952.

†Vide M. F. (D.E.A.) Notification No. GSR 1095 dated 13-8-62.

**28. Application for grant of information.**—(1) Any person requiring information regarding a Government security in the custody of the Public Debt Office may apply to that office in writing stating the form in which the information is required.

(2) Every such application shall state with precision the particulars (namely the number, rate of interest, loan to which it belongs and the face value) of the security and shall contain a statement of the purpose for which the information is required and of the interest of the applicant in the security. If any of the above particulars 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 particular or particulars, if available, to the applicant subject to such conditions and on payment of such fees if any, as it may prescribe.

**29. Disposal of application for grant of information or inspection.**—The following provisions shall be observed in dealing with applications under Rule 28:—

(1) If the application asks for any information in respect of security which has been renewed, converted, consolidated, sub-divided otherwise than in the name of the person who has renewed, converted, consolidated or sub-divided the security or asks for inspection of such security, or any register or book kept or maintained in the Public Debt Office in respect thereof or of any entry of such security in such register or book, the application shall be refused. The register or the book shall mean the register or the book in which the security is entered, registered or referred to.

(2) If the applicant asks for inspection or information in respect of a security which has been cancelled on payment of the amount due in respect thereof, it shall be referred to, and disposed of under the orders of the Bank.

(3) In any other case the Public Debt Office may subject to the provisions hereinafter contained, grant a certified copy of any endorsement on a security or of an entry in any register or book maintained or kept by that office relating to any security, on being satisfied that the security in question has stood in the name of the applicant, or of a person in whom the applicant has a representative interest, and further that the applicant has a *bona fide* interest in the security in respect of which the application is made:

Provided that if the security has been cancelled for payment of the amount due in respect thereof, no copy of any endorsement thereon shall be granted which purports to give a\* title subsequent to the termination of the applicant's interest in the security.

(4) The Public Debt Office may, under a special order of the Bank, supply any information regarding a security referred to in sub-rules (2) and (3) which is directed to be supplied by such an order.

(5) If an applicant asks for—

- (a) any information from the record of the Public Debt Office or the Bank in connection with a Government security or any loan,

\* *Vide* M.F. (D.E.A.) Notification No. 7(33)-B/56 dated 3-10-56.

- (b) a copy of any document from the record, and
- (c) inspection of any record generally or any document or documents specifically, the application shall be referred to and disposed of subject to the provisions of sub-rule (1) of this rule under the order of the Bank.

(6) If the application relates to the grant of permission for inspection of an interest warrant or of information relating to payment of interest for a specific half-year or half-years the application may be granted by the Bank provided the applicant was the person to whom interest was paid.

(7) No information from any document or record in respect of the proceedings instituted by the Bank under section 12 of the Act shall be granted by the Bank.

**30. Indemnity bond and fees in connection with grant of information or inspection.**—(1) Every applicant shall before any information is supplied or permission for inspection granted to him execute a bond of indemnity as nearly as may be in Form XX for the amount as hereinafter mentioned—

- (a) the bond of indemnity for grant of information or inspection under any of the sub-rules (1) to (4) of Rule 29 shall be for twice the face value of the security or securities involved and the interest paid thereon from the date of issue, and
- (b) the bond of indemnity for grant of information or of permission for inspection under sub-rules (5) and (6) of Rule 29 shall be for such amount as may be determined by the Bank.

(2) Every applicant shall before any information is supplied to him under Rule 28 or 29 pay a fee of Re. 1 for each security in respect of which any information is supplied and a fee of Re. 1 shall be paid for each certified copy granted under Rule 29.

(3) The Bank may waive the execution of a bond of indemnity or may forego the fees either wholly or partly payable to the Bank under sub-rule (2) above, or may do both.

**31. Fees.**—The following fees shall be paid in respect of application under section 11 of the Act, namely:—

For each renewed, converted, consolidated, sub-divided or duplicate security, 25 Paise per cent. if the new security does not exceed in amount Rs. 400, and Re. 1 if the new security exceeds that sum :

Provided that no fee shall be payable—

- (a) in respect of the conversion of a Government promissory note or a bearer bond into stock certificate, and
- (b) in respect of the renewal of a note which bears no endorsement other than an endorsement by the Reserve Bank of India, \*the State Bank of India (or the Imperial Bank of India or one of the banks constituted by the Presidency Banks Act, 1876), the Controller of the Currency, his Deputy or Assistant or an Accountant General,

his Deputy or Assistant, or an Assistant Accounts Officer, Posts and Telegraphs, and the renewal endorsement, when such renewal is required only on account of there being no further space on the note in which to record payment or enfacement for payment of interest.

32. The Indian Securities Rules, 1935, shall cease to apply to those Central Government securities to which the Act and these rules apply.

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**The Schedule**

[See Rule 2(5)]

FORM I

[See Rule 6]

Form of Special Notes issued to Rulers of\*      former Indian States  
Government      per cent.      loan of Rs.  
at      per cent. of (name of Loan)  
at      Public Debt Office

The \*President of India hereby promises to pay to†  
or his successor the      of      for the time being,  
at the General Treasury at Fort William on (here state the date of  
discharge of the loan)      Rupees      and to pay to  
the said      and his successors      of  
for the time being, at the General Treasury above  
mentioned interest on such sum from the      to the date on  
which the same shall become payable as aforesaid at the rate of  
per cent. per annum such interest to be paid by equal  
half-yearly payments on the      and on the      in every  
year. Provided always that the said principal sum of Rupees  
or any part thereof and the right to receive the same and  
the interest thereon as aforesaid may at any time be transferred  
absolutely by the      for the time being entitled to receive  
the interest thereon and the \*President of India hereby agrees on  
surrender of this special note to issue to the said      or any  
of his Successors      of      for the time being and  
holder of this note, promissory notes of the      per cent. Loan  
of      in the usual form for the whole or part of the  
said principal sum according to the request of the      making  
the surrender and to any transferee or transferees under the power  
aforesaid, promissory notes of the same loan in the usual form for  
the amount transferred and to the said      a special note  
in this form for any balance thereof not represented by the notes  
so issued.

Rs.      dated the      day of      19

**Manager.**  
Reserve Bank of India,  
Public Debt Office.

No.      Governor,  
Reserve Bank of India.

\*Vide M.F. (D.E.A.) Notification No. 7 (33)-B/56, dated 3-10-56.

†Here mention the exact designation of the Ruler.

FORM ~~II~~ I  
(See Rule 7)

Form of Transfer

✓ put latest form

I/We do hereby assign and transfer my/our interest or share in the Inscribed stock of the Government Loan of \_\_\_\_\_ per cent the amount/a portion of the stock for Rs. \_\_\_\_\_ amounting to Rs. \_\_\_\_\_ being the amount/a portion of the stock for Rs. \_\_\_\_\_ as specified on the face of this instrument together with the accrued interest thereon unto \_\_\_\_\_ his/her/their executors, administrators or assigns; and I/we do freely accept the above stock transferred to me/us.

As witness our hand the \_\_\_\_\_ day of \_\_\_\_\_ One thousand nine hundred and \_\_\_\_\_

Signed by the above-named Transferor \_\_\_\_\_ in the presence of\* \_\_\_\_\_

Signed by the above-named Transferee \_\_\_\_\_ (Seller) in the presence of\* \_\_\_\_\_

\_\_\_\_\_  
(Buyer).  
Address

\*Signature occupation & address of witness.

FORM ~~III~~ II  
(See Rule 7)

II Modified 50/11/95

Form of Transfer for Operating on S. G. L. Account

I/We

Amendment vide Govt.'s Notification dated 2<sup>nd</sup> June 1995. Form III & III(i) replaced by a new form III vide Govt./s Notification dated 2<sup>nd</sup> June 1995 with Rule 7(3)(a).

Signed by the above-named Transferor \_\_\_\_\_ in the presence of\* \_\_\_\_\_

Signed by the above-named Transferee \_\_\_\_\_ (Seller) in the presence of\* \_\_\_\_\_

\_\_\_\_\_  
(Buyer).

\*Signature occupation and address of witness.

FORM IIIA ~~X~~

[See Rule 7(3A)]

I/We ..... do hereby assign and transfer my/our interest or share in the ..... per cent. Ten-Year Treasury Savings Deposit Certificate\*/Ten-Year Defence Deposit Certificate No. .... for Rs ..... being the amount/a portion of the said certificate for Rs ..... together with the accrued interest thereon unto ..... his/her/their

[Transferee(s)]

executors, administrators or assigns, and I/we ..... do

[Transferee(s)]

freely accept the above certificate transferred to me/us.

2. I/We ..... hereby declare that

[Transferee(s)]

on this transfer being effected my/our holdings in Treasury this transfer is being effected by way of Security.

Savings Deposit Certificates/\*Defence Deposit Certificates would not exceed the maximum limit for holdings in Treasury Savings Deposit Certificates/\*Defence Deposit Certificates applicable to me/us.

As witness our hand the ..... day of ..... one thousand nine hundred and .....

Signed by the above named .....

[Name(s) of Transferor(s)]

[Signature(s) of Transferor(s)]

in the presence of .....

(name, occupation and address of witness)

(Signature of witness)

Signed by the above named .....

[Name(s) of transferee(s)]

[Signatures of Transferee(s)]

in the presence of .....

(name, occupation and address of witness)

(Signature of witness)

NOTE.—Strike out what is not applicable.

\*Vide M.F. (D.E.A.) Notification No. GSR 1509, dated 10-11-62.

Form III  
Bond Left  
27

Form IV  
Enst. SGL  
transfer  
bond

[See Rule 7A(2)]

Nomination made under Section 9(1) of the Act and Rule ~~7A~~

1. I,        (name and address) nominate the following person/s who shall, on my death, have the right to receive payment of the amount for the time being due on the certificate specified below.

Certificate				Nominee		
Nature	Distinguishing number	Denomination	Date of purchase	Name	Address	Date of birth

2. \*As        the sole Nominee above is a minor on this date, I

Nominee No.       

appoint Shri/Smt./Kumari        (name and address) to receive the amount for the time being due on the above certificate in the event of my death during the minority of the said nominee†.....

Place.....

Date.....

Signature/Thumb Impression of the holder.

Signatures and addresses of witnesses :

1.

2.

†3. This nomination is in substitution of the nomination dated ..... made by me and registered in your books on the..... which shall stand cancelled on registration of this nomination.

\*Not to be filled in, unless nominee is a minor.

†Name of the nominee.

‡This paragraph may be struck out when the nomination is not in substitution of one made.



## FORM III E

[See Rule 7C(2)]

Nomination made under Section 9B(1) of the Act and Rule 7C

To

The Manager,  
Reserve Bank of India,  
NEW DELHI.

I ..... nominate the following person(s) who  
(Name of holder)

shall, in the event of my death, have the right to receive the payment of the amount due on the maturity of the Government of India Defence Certificate/s of the face value of Rupees..... specified below :—

No. of the Certificate(s)	Date of issue	Place of issue	Face Value	Nominee(s)		
				Name/s	Address	Date of birth

\*2 As ..... the sole Nominee above is a minor on  
this date, I appoint ..... Nominee No. to receive the amount due on  
(Name and address)

the above Certificate(s) in the event of my death during the minority of the said nominee.

†3. This nomination is in substitution of the nomination dated ..... made by me and registered with you, which shall stand cancelled on registration of this nomination.

Signatures and addresses of witnesses :

1.

2.

Signature of holder.....

Name in Full.....

(Block Letters)

Address.....

Place.....

Dated, the .....19 .

\*Please strike out unless nominee is a minor.

†This paragraph may be struck out when the nomination is not in substitution of an earlier one.

FORM IIIF

[See Rule 7C(3)]

Notice of cancellation of nomination under Section 9B(1) of the Act and Rule 7C

To

The Manager,  
Reserve Bank of India,  
NEW DELHI.

I ..... do hereby cancel the nomination  
(name of holder)  
dated..... made by me in respect of the following Defence  
Certificate(s) and registered by you on the.....  
(date)

Particulars of Defence Certificate(s)

Serial number	Number of the Certificate(s)	Face value of the Certificate(s)	Place of Issue	Date of Issue

Place.....

dated the .....19 .

Signature of holder.....

Address.....

Signatures and addresses of witnesses :

1. ....

2. ....

.....

.....

FORM IV

(See Rule 9)

Receipt for Interest on Government Promissory Notes

Per cent Loan of \_\_\_\_\_

Received from the Government Treasury at \_\_\_\_\_ interest due on Promissory Notes as follows :—

No. of Note <i>N.B.</i> —If the number is in a fractional form, the upper No. only need be quoted	Amount of each note		Amount of half-yearly interest	For how many half-years interest is due	Total Amount due		Date up to which interest is due	Name and address of holder of Notes
	Rs.	P.			Rs.	P.		
				TOTAL				
				<i>Deduct</i> —Income-tax at...per cent				
				Net amount payable				

Total received (in words)..... Signature.....

(State whether holder or holder's attorney or administrator) .....



FORM IV.-A\*

[See Rule 9(3-A)]

Receipt for interest on Treasury Savings Deposit Certificates/Defence  
Deposit Certificates.

—per cent—Treasury Savings Deposit Certificates/†Defences Deposit certificates

Received from the Government Treasury at ————— interest due on Treasury Savings Deposit Certificates/Defence Deposit Certificates as follows :—

No. of Certificate	Amount on each Certificate		Amount of half-yearly/ yearly interest		For how many half-years interest is due	Total amount due		Date upto which interest is due	Name of holder of Certificates
	Rs.	P.	Rs.	P.		Rs.	P.		
					TOTAL . . . . .				
					Deduct—Income-tax at . . . . per cent.				
					Net amount payable				

Total received (in words) . . . . . Signature . . . . .  
(State whether holder or holder's attorney or administrator) . . . . .

\*Vide M. F. (D.E.A.) Notification No. D-6285-B1/51 of 28-7-51.

†Vide M. F. (D.E.A.) Notification No. GSR 1509 dt. 10-11-62.

FORM V

(See Rule 22)

Security Bond

This Agreement is made on the \_\_\_\_\_ day of \_\_\_\_\_  
between \_\_\_\_\_  
son of \_\_\_\_\_  
resident of \_\_\_\_\_

of the one part and the Reserve Bank of India of the other part.  
am/are

Whereas I/we \_\_\_\_\_ the true and lawful owner/s of the  
represent  
Government securities specified in the Schedule, "A" hereto an-  
nexed.

And whereas I/we have applied to the Reserve Bank of India,  
Public Debt office, \_\_\_\_\_ for \_\_\_\_\_ of the said Government secu-  
rities 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 securities in case there shall be such a claim.

Now these Presents 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 securities and I/we  
hereby further agree that this bond may be held by the said Bank  
and the said Bank may assign the Bond to the rightful owner of the  
said securities.

In witness whereof I/we have subscribed my/our name/names  
day of \_\_\_\_\_

Signed by the within  
mentioned in the  
presence of \_\_\_\_\_

\_\_\_\_\_  
Principal.

I/We  
Between \_\_\_\_\_  
son of \_\_\_\_\_  
resident of \_\_\_\_\_

hereby undertake to make good any claim to the rightful owner of  
the Government securities 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.

## Schedule "A" Referred to in the Bond

Nature and description of the security	Number	Date of issue	Amount

## FORM VI

[See Rule 24]

*Form of Indorsement for renewal of a Promissory Note*

Received in lieu hereof a renewed note payable to (name of holder), with interest payable at Treasury.

Signature of the holder/duly authorised representative of (name of holder).....

## FORM VI-A\*

[See Rule 24]

*Form of Indorsement for renewal of a Treasury Savings Deposit Certificate/Defence Deposit Certificate*

Received in lieu hereof a renewed certificate payable to (name of holder), with interest payable at..... Treasury.

Signature of the holder/duly authorised representative of (name of holder).....

## FORM VI-B

[See Rule 24]

*Form of Indorsement for renewal of a Defence Certificate*

Received in lieu hereof a renewed Defence Certificate payable to.....

(name of the holder)

Signature of the holder/duly authorised representative of.....

(name of holder)

\*Vide M. F. (D.E.A.) Notification No. D. 6285-BI/51 dated 28-7-1951.

## FORM VII

[See Rule 24]

*Form of Indorsement for Sub-division of a Promissory note*

Received in lieu hereof \_\_\_\_\_ notes for  
 Rs. \_\_\_\_\_ respectively, payable to (name of holder),  
 with interest payable at \_\_\_\_\_ Treasury.

Signature of the holder/duly authorised representative of (name  
 of holder).....

## FORM VII-A\*

[See Rule 24]

*Form of Indorsement for sub-division of a Treasury Savings Deposit Certificate/Defence Deposit Certificate*

Received in lieu hereof.....certificate for  
 Rs. \_\_\_\_\_ respectively payable to (name of holder),  
 Rs. interest payable at \_\_\_\_\_ Treasury.

Signature of the holder/duly authorised representative of (name  
 of holder).....

## FORM VII-B

[See Rule 24]

*Form of Indorsement for sub-division of a Defence Certificate*

Received in lieu hereof ..... Defence Certificates for Rs.....  
 .....respectively payable to .....  
 (name of holder)

@Signature of the holder/duly authorised representative of.....  
 .....  
 (name of holder)

## FORM VIII

[See Rule 24]

*Form of Indorsement for Consolidation of Promissory Notes*

Received in lieu hereof a new note payable to (name of holder)  
 for Rs. \_\_\_\_\_ by consolidation with promissory note or notes  
 Nos. \_\_\_\_\_ (mentioning the numbers and amounts of the  
 other notes desired to be consolidated with it and specifying the  
 loan) with interest payable at \_\_\_\_\_ Treasury.

Signature of the holder/duly authorised representative of (name  
 of holder).....

\*Vide M. F. (D.E.A.) Notification No. D. 6285-BI/51 of 28-7-51.

@Vide M.F. (D.E.A.) Notification F. 13(8) W. & M./63 dated 21-1-64

## FORM VIII-A\*

[See Rule 24]

*Form of Indorsement for Consolidation of Treasury Savings Deposit  
Certificates/Defence Deposit Certificates*

Received in lieu hereof a new certificate payable to (name of holder) for Rs. .... by consolidation with certificate or certificates Nos. .... (mentioning the numbers and amounts of the other certificates desired to be consolidated with it) with interest payable at ..... Treasury.

Signature of the holder/duly authorised representative of (name of holder).....

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## FORM VIII-B

[See Rule 24]

*Form of Indorsement for consolidation of Defence Certificates*

Received in lieu hereof a new Defence Certificate payable to (name of holder) for Rs. .... by consolidation with Certificate or Certificates Nos. .... (mention here the numbers and amounts of the other certificates desired to be consolidated with it).

Signature of the holder/duly authorised representative of (name of holder).....

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## FORM IX

[See Rule 24]

*Form of Indorsement for Consolidation of Defence Certificates  
Bearer Bonds*

Received in lieu hereof and of notes numbers in the loan of ..... of the value of Rs. .... a bearer bond (or bonds) of Rs. .... each amounting to Rs. .... with interest payable at ..... Treasury.

Signature of the holder/duly authorised representative of (name of holder).....

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## FORM X

[See Rule 24]

*Form of Indorsement of the renewal for a Stock Certificate*

Received in lieu hereof a renewed stock certificate of the per cent. loan of ..... for Rs. .... in the name of with interest payable at ..... Treasury.

Signature of the registered holder/duly authorised representative of (name of registered holder).....

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## FORM XI

[See Rule 24]

*Form of Indorsement for Sub-division of a Stock Certificate*

Received in lieu of this stock certificate, stock certificates  
for Rs. respectively of the per cent. loan of  
with interest payable at Treasury.

Signature of the registered holder/duly authorised representa-  
tive of (name of registered holder).....

## FORM XII

[See Rule 24]

*Form of Indorsement for Consolidation of Stock Certificates*

Received in lieu of stock certificates Nos. for Rs.  
respectively of the per cent. loan of a stock certifi-  
cate for Rs. of the per cent. Loan of .....with  
interest payable at Treasury.

Signature of the registered holder/duly authorised representa-  
tive of (name of registered holder).....

## FORM XIII

[See Rule 24]

*Form of Indorsement for Conversion of Stock Certificates into Promissory Notes*

Received in lieu of this certificate, promissory notes of  
Rs. each (together with a new stock certificate for the balance  
amounting to Rs. ) with interest payable at Treasury.

Signature of the registered holder/duly authorised representa-  
tive of (name of registered holder).....

## FORM XIV

[See Rule 24]

*Form of Indorsement for Conversion of Stock Certificates into Bearer Bonds*

Received in lieu of this stock certificate, bearer bonds of  
Rs. each (together with a new stock certificate for the  
balance amounting to Rs. ) with interest payable at  
Treasury.

Signature of the registered holder/duly authorised representa-  
tive of (name of registered holder).....

## FORM XV

[See Rule 24]

*Form of Indorsement of the Renewal of Treasury Bill*

Received in lieu hereof a renewed Treasury Bill for Rs.  
payable to

Signature of the holder/duly authorised representative of (nam  
of holder).....

## FORM XVI

[See Rule 7]

*Form of Indorsement for Conversion of a Note in the Special Form into a Promissory Note in the Ordinary Form by a Transferee*

Received in lieu hereof a Promissory Note/s in the ordinary form of the per cent. loan of \_\_\_\_\_ for Rs. \_\_\_\_\_ in the name of (name of transferee) \_\_\_\_\_ with interest payable at Treasury.

Signature of the transferee/duly authorised representative of (name of transferee).....  
\_\_\_\_\_

## FORM XVII

[See Rule 24]

*Form of Indorsement for Renewal of a Special Note*

Received in lieu hereof a renewed note in the special form of the \_\_\_\_\_ per cent. loan of \_\_\_\_\_ for Rs. \_\_\_\_\_ payable to (here mention the correct designation of the Ruler without mention of his personal name) or his successors for the time being with interest payable at Treasury.

Signature of the holder/duly authorised representative of (name of holder).....  
\_\_\_\_\_

## FORM XVIII

[See Rule 24]

*Form of Indorsement for Sub-Division of a Special Note*

Received in lieu of this special note, \_\_\_\_\_ notes in the special form for Rs. \_\_\_\_\_ respectively of \_\_\_\_\_, per cent. loan of \_\_\_\_\_ payable to \_\_\_\_\_ (here mention the correct designation of the Ruler without mention of his personal name) or his successors for the time being with interest payable at Treasury.

Signature of the holder/duly authorised representative of (name of holder).....  
\_\_\_\_\_

## FORM XIX

[See Rule 24]

*Form of Indorsement for Consolidation of Special Notes*

Received in lieu hereof a new note in the special form for Rs. \_\_\_\_\_ of the \_\_\_\_\_ per cent. loan of \_\_\_\_\_ payable to (here mention the correct designation of the Ruler without mention of his personal name) or his successors for the time being by consolidation with note or notes in the special form Nos. \_\_\_\_\_

(mentioning the numbers and amounts of the other notes, desired to be consolidated with it and specifying the loan) with interest payable at \_\_\_\_\_ Treasury.

Signature of the holder/duly authorised representative of (name of holder).....

## FORM XX

[See Rule 30]

### *Form of Indemnity Bond*

Whereas I/We

son of

resident at

(and

son of

resident at

claim to be entitled

(Here state in what capacity claim to the notes is made)

to the G.P. Note(s) and/or security(ies) specified in the schedule hereunder written and have represented to the Reserve Bank of India, Public Debt Office, \_\_\_\_\_ that the said G.P. Note(s) and/or security(ies) has/have been \_\_\_\_\_ and have applied to the Reserve Bank of India, Public Debt Office, \_\_\_\_\_ for an inspection of the said note(s) and/or security(ies) and also for all other information and particulars respecting the said note(s) and/or security (ies) and whereas the Reserve Bank of India, Public Debt Office, \_\_\_\_\_ has agreed to give inspection and to afford to me/us all information and particulars affecting the said note(s) and/or security(ies) I/we oblige myself/ourselves my/our heirs and assigns whatsoever

(To be omitted if bond taken from one person only)

(jointly and severally) to guarantee and defend and relieve the Reserve Bank of India, Public Debt Office, \_\_\_\_\_ and the Government to the extent of Rs\* \_\_\_\_\_ from all and any claim, question and expenses which may be raised against or incurred by the Reserve Bank of India, Public Debt Office, \_\_\_\_\_ or the Government in reference to the said note(s) and/or security(ies),

In witness hereof I/we have subscribed my/our name(s) this \_\_\_\_\_ day of \_\_\_\_\_

Signed by the within mentioned in the presence of \_\_\_\_\_

Applicant's Signature.

*The Schedule referred to in the foregoing Bond*

† Vide M. F. Notification No. F. 8(12)-B/49, dated 29-10-49.

\* Double the amount of the notes and interest paid thereon since the respective dates of issue.



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**Section III**  
**THE PUBLIC DEBT (COMPENSATION BONDS)**  
**RULES, 1954**

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## \*THE PUBLIC DEBT (COMPENSATION BONDS) RULES, 1954

**Introduction**—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 (Compensation Bonds) Rules, 1954.

\*\* (2) They shall apply to Govt. Securities in the form of a bond or a Stock Certificate issued under section 2(2)(b) of the Act.

**2. Definitions.**—In these rules, unless the context otherwise requires—

- (1) "The Act" means the Public Debt Act, 1944 (18 of 1944);
- (2) "The Bank" means the Reserve Bank of India;
- (3) "Bond", other than an indemnity bond or a security bond, means a bond issued under rule 3;
- (4) "The Government", in relation to any bond, means the State Government issuing the bond;
- (5) "District Magistrate" means every person exercising all or any of the powers of a District Magistrate as defined under the Code of Criminal Procedure, 1898 (Act 5 of 1898), for the time being in force;
- (6) "Instalment" means periodical payment of a part of the principal amount as may be determined by the Government or of interest or of both; @ or where the entire principal is to be repaid at one time, the repayment of such principal;
- (7) "Officer of the Bank" means the officer appointed by the Reserve Bank of India to perform the duties under the Act;
- (8) "Form" means a form as set out in the Schedule to these rules;
- (9) "Public Debt Office" means the office of the Reserve Bank of India on the books of which a bond is registered or may be registered;
- (10) "Mutilated Bond" means a bond which has been destroyed, torn or damaged in material parts thereof and the material parts of a bond, are those where—
  - (i) the number, description and the face value of the bond or payments of instalments are recorded, or
  - (ii) the endorsement or the name of the payee is written, or
  - (iii) the renewal receipt is supplied;

\* *Vide* M. F. (D.E.A.) Notification S.R.O. 2754, dt. 18-8-54.

\*\* *Vide* M. F. (D.E.A.) Notification S.R.O. 2286, dt. 3-10-56.

@ *Vide* M. F. (D.E.A.) Notification G.S.R. 757, dt. 5-6-62.

- (11) "Defaced Bond" means a bond which has been made illegible or rendered undecipherable in material parts ;
- (12) "Lost Bond" means a bond which has actually been lost and shall not mean a bond which is in the possession of some person adversely to the claimant ;
- (13) "Stock Certificate" means a stock certificate issued under rule 3.

**3. Form of instrument issuable as Government security under section 2 (2) (b) of the Act.**—The Government may issue a bond or stock certificate in Form A or as the case may be Form AA, or as near thereto as circumstances permit. Save as otherwise provided in these rules, a bond or a stock certificate in the appropriate form shall be deemed to be a Government security for all the purposes of the Act.

**3A.** In these rules, references to "bonds" shall, unless the subject or the context indicates otherwise, include references to "stock certificates".

**4. Transfer of bonds and stock certificates.**—The bonds and stock certificates shall be transferable only in the manner specified below:—

- (1) \*A bond in the form referred to in rule 3 :
  - (a) it shall be transferable by endorsement and delivery like a promissory note payable to order ;
  - (b) 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 ;
  - (c) no writing on a bond is valid for the purpose of negotiation if such writing purports to transfer only a part of the amount denominated by the bond ; and
  - (d) the treasury or sub-treasury, or any office of the Bank or the Public Debt Office may decline to accept a bond, endorsed in blank for any purpose, unless the endorsement in blank is converted into that in full before presentation.
- (2) \*A stock certificate in the form referred to in rule 3 :
  - (a) the stock for which the stock certificate is issued shall be transferable either wholly or in part by execution of an instrument of transfer in Form H ;
  - (b) the transferor shall be deemed to be the holder of the stock to which the transfer relates until the name of the transferee is registered as a holder of the stock by the Public Debt Office.

**4A. Provision for holding stock by trustees and office holders.—**

(1) A stock for which the stock certificate is issued may be held by the holder of an office other than a public office :—

(i) in his personal name described in the books of the Public Debt Office and in the stock certificate as a trustee, whether of a specified trust or without any such qualification, or

(ii) by the name of his office.

(2) The stock certificate referred to in sub-rule (1) may be held by the holder of the office, either alone or jointly with a person or persons holding an office other than a public office.

(3) When stock is held by a person in the name of his office, any document relating to the stock concerned may be executed by the person for the time being holding the office by the name in which the stock is held as if the personal name were so stated.

(4) Where any transfer deed, power of attorney or other document purporting to be executed by a stock holder described in the books of the Public Debt Office as a trustee or as a holder of an office is produced to the Public Debt Office, the Public Debt Office shall not be concerned to inquire whether the stock holder is entitled under the terms of any trust or document or rules to give any such power or to execute such deed or other document, and may act on the transfer deed, power of attorney or document in the same manner as though the executant is a stock holder and whether the stock holder is or is not described in the transfer deed, power of attorney or document as a trustee or as a holder of an office and whether he does or does not purport to execute the transfer deed, power of attorney or document in his capacity as a trustee or as a holder of the office.

(5) Nothing in these rules shall, as between any trustees or office holders, or as between any trustees or office holders and the beneficiaries under a trust or any document or rules, be deemed to authorise the trustees or office holders to act otherwise than in accordance with the rules of law applying to trust, the terms of the instrument constituting the trust, or the rules governing the association, of which the stock holder is the holder of an office; and neither the Government nor any person holding or acquiring any interest in any stock shall, by reason only of any entry in any register maintained by or on behalf of the Government in relation to any stock or any stock holder, or of anything in any document relating to stock, be affected with notice of any trust or of the fiduciary character of any stock holder or of any fiduciary obligation attaching to the holding of any stock.

(6) The Public Debt Office may, before making any entry in their books describing a person as a trustee of a specified trust, or issuing a stock certificate in his name described as trustee with the specification of the trust, or acting on any document purporting to be executed in pursuance of this rule by a person as being the holder of any office, require the production of the necessary evidence.

**5. Payment of Instalments.**—Instalments on a bond may be made payable at any treasury or sub-treasury in the State concerned or at the Public Debt Office, subject to compliance by the holder with such formalities as the Public Debt Office may require and instalments shall accordingly be paid at such treasury or sub-treasury or Public Debt Office on presentation of the bond. The payee shall give a receipt in Form B. Where, however, instalments are payable at a place where a Public Debt Office is located, the bond shall, unless otherwise directed by the Public Debt Office, be presented at the Public Debt Office which shall issue an instalment warrant in favour of the holder payable at the local office of the Bank or any agency thereof conducting Government treasury business or at a treasury. Notwithstanding anything contained herein, any instalment due on a bond, the instalments on which are payable at a treasury or sub-treasury, may be paid by the Public Debt Office by an instalment warrant payable at such treasury or sub-treasury.

**5A. Payment of interest.**—Interest on stock shall be paid by warrants issued by the Public Debt Office and payable at the local office of the Bank. Such warrants may at the request of the holder of the stock preferred in writing to the Public Debt Office be made payable subject to compliance by the holder with such formalities as the Public Debt Office may require at any agency of the Reserve Bank of India conducting treasury business in the State concerned or at any treasury or sub-treasury within that State.

The presentation of stock certificate shall not be required at the time of payment of interest, but the payee shall acknowledge receipt at the back of the warrant.

**6. Procedure when a bond is lost, etc.**—(1) When a bond is lost,   
damaged, mutilated or defaced, the person entitled thereto

Amended vide M.A. Series circular No. 78

CO.CL.8/ 4197/88-89 dated 19<sup>th</sup> June 1992.

Please also see Govt.'s Notification dated 6<sup>th</sup> January 1990  
 with Rule 12 of P.D. Rules 1946.

a bond which is alleged to have been lost, stolen, destroyed, mutilated or defaced, either wholly or in part, shall be accompanied by—

- (a) a statement of the following particulars, namely :—
  - (i) the last half-year or year for which instalment has been paid;
  - (ii) the person to whom such instalment was paid;
  - (iii) the person in whose name the bond was issued (if known);
  - (iv) the place for payment of instalments at which the bond was for the time being enfaced;
  - (v) the circumstances attending the loss, theft, destruction, mutilation or defacement; and
  - (vi) whether the loss or theft was reported to the police.

(b) the Post Office registration receipt for the letter containing the bond, 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) where the last payment of instalment was not made by a warrant issued by the Public Debt Office, a letter signed by the officer of the treasury where instalment was last paid, certifying the last payment of instalment on the bond and stating the name of the party to whom such payment was made;

(e) if the applicant is not the holder in whose name the bond was originally issued, 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 original holder; and

(f) any portion or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced bond.

(4) A duplicate of the letter sent to the Public Debt Office, but not of its enclosures, shall also be sent to the treasury where instalments are payable.

(5) The loss, theft, destruction, mutilation, or defacement of a bond, or a portion of a bond shall be further notified by the applicant in three successive issues of the official Gazette of the Government issuing the bond and if the loss, theft, destruction, mutilation or defacement occurred at a place outside the State of the Government issuing the bond, also in three successive issues of the official Gazette, if any, of the State in which such place is situated. Such notification shall be in the form following, or as nearly in such form as circumstances permit :—

“Lost” (“stolen”, “destroyed”, “mutilated”, or “defaced” as the case may be)

“The                      Bond No.    of the  
 Government 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 instalments thereupon have been stopped at the  
 Public Debt Office, and that application is about to be  
 made for the issue of a duplicate in favour of the pro-  
 prietor. The public are cautioned against purchasing or  
 otherwise dealing with the abovementioned bond.

Name of person notifying :

Residence ;    ”

(6) After the publication of the last notification prescribed in sub-rule (5), the Bank shall, if it is satisfied of the loss, theft, destruction, mutilation or defacement, of the bond and of the justice of

claim of the applicant, cause the particulars of the bond to be included in a list such as is referred to in rule 7 hereunder and shall order the Public Debt Office—

(i) if only a portion of the bond has been lost, stolen, destroyed, mutilated or defaced, and if a portion of the bond sufficient for its identification has been produced, to issue to the applicant, on the execution of an indemnity bond such as is hereinafter mentioned, a duplicate bond in place of that of which a portion has been lost, stolen, destroyed, mutilated or defaced on the expiry of such period not exceeding six months as the Bank may consider necessary from immediately after the date of the publication of the said list; and

(ii) if no portion of the bond so lost, stolen, destroyed, mutilated or defaced, sufficient for its identification has been produced to issue to the applicant, on the execution of an indemnity bond such as is hereinafter mentioned, a duplicate bond in place of the bond so lost, stolen, destroyed, mutilated or defaced one year after the date of publication of the said list: Provided that—

(a) if the date on which the final instalment of the bond is due for payment falls earlier than the date on which the said period of one year expires, or if the bond is notified for redemption before that date, the Bank shall pay all the outstanding instalments after the expiry of the said period of one year without issuing a duplicate bond; and

(b) if at any time before the issue of a duplicate bond, the original bond is discovered or it appears to the Public Debt Office for other reasons that the order should be rescinded, the matter shall be referred to the Bank for further consideration and in the meantime all action on the order shall be suspended.

(7) The Bank may, at any time prior to the issue of a duplicate bond, if it finds sufficient reason, alter or cancel any order made by the Bank under this rule and may also direct that the interval before the issue of a duplicate bond shall be extended by such period not exceeding one year as it may think fit.

(8) *Indemnity Bonds.*—(i) An indemnity bond, when executed under sub-rule (6) and not under rule 12 shall be for twice the amount of the instalments involved, that is to say, twice the amount of all back instalments accrued due on the bond plus twice the amount of all instalments to accrue due thereon.

(ii) The Bank may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two sureties as it may think fit, or that in lieu of furnishing personal sureties the applicant shall furnish collateral security in the shape of Government securities to be deposited with it for such amount and period as it may think fit.

**6A. Procedure when a stock certificate is lost, etc.**—(1) Every application for the issue of a duplicate stock certificate in place of

a stock 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) the Post Office registration receipt for the letter containing the stock certificate, if the same was lost in transmission by registered post;
- (b) a copy of the police report, if the loss or theft was reported to the police;
- (c) an affidavit sworn before a Magistrate testifying that the applicant is the legal holder of the stock certificate and that the stock certificate is neither in his possession nor has it been transferred, pledged or otherwise dealt with by him; and
- (d) any portions or fragments which may remain of the lost, mutilated or defaced stock certificate.

Amended vide M.A. Series circular No. 78

CO.CL.8/ 4197/88-89 dated 19<sup>th</sup> June 1992.

Please also see Govt.'s Notification dated 6<sup>th</sup> January 1990 with Rule 12 of P.D. Rules 1946.

be published quarterly in the official Gazette of the Government issuing the bond in the months of January, April, July and October or as soon afterwards as may be convenient.

(ii) All bonds in respect of which an order has been passed under rule 6 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 each of the succeeding lists published in the months of January and July or soon thereafter until the expiration of the period prescribed for the issue of duplicates.

(iii) The list shall contain, as far as possible, the following particulars regarding each bond included therein, namely, the description of the bond, the number of bond, its value, the person to whom it was issued, the date from which instalments are due, the name of the applicant for a duplicate, the number and the date of the order passed by the Bank for payment of instalments or issue of a duplicate and the date of publication of the list in which the bond was first included.

8. **Determination of Title by Vesting Order.**—Notwithstanding anything contained in rule 6 or 6A, the title to a lost, stolen, destroyed, mutilated or defaced bond or stock certificate may be determined by the Bank by its order vesting title thereto.

9. **Determination of a mutilated or defaced bond as a bond requiring renewal.**—It shall be at the option of the Bank to treat a bond which has been mutilated or defaced, as a bond requiring the issue of a duplicate under rule 6 or 6A or mere renewal under rule



10. **When a bond is required to be renewed.**—(1) The holder of a bond may be required by the Public Debt Office to receipt the same for renewal in any of the following cases, namely :—

- (a) if only sufficient room remains on the back of the bond for one further endorsement or if any word is written upon the bond across any 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 Public Debt Office;
- (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 in the case of office-holders, by office, or is made otherwise than in one of the endorsement cages on the back of the bond;
- (d) if the bond having been enfaced three times for payment of instalments is presented for re-enfacement; and
- (e) if, in the opinion of the Public Debt Office, the title of the person presenting the bond for payment of instalment is irregular or not fully proved.

(2) When requisition for the renewal of a bond has been made under sub-rule (1), payment of any further instalments thereon may be refused until it is receipted for renewal and actually renewed.

11. **Procedure for making vesting order.**—(1) In cases to which section 12 of the Act applies, the Bank may determine the person in the manner hereunder as being entitled in its opinion to the bond and may by its order vest title in such person accordingly.

(2) The person claiming to be entitled to a bond shall apply to the Bank and adduce documentary evidence in support of his claim.

(3) On receipt of the application by the Bank, the Bank if it contemplates making a vesting order under the Act—

- (i) may suspend payment of instalments on or the maturity value of the bond or postpone the making of any order under section 11 until the vesting order has been made;
- (ii) may, if it considers proper, request a District Magistrate to record or to have recorded the whole or any part of such evidence as any person whose evidence the Bank requires may produce or direct one of its officers to record such evidence or may receive evidence upon affidavit.

(4) The Bank shall thereafter give notice in writing to each claimant of whom it has knowledge, stating the names of all other claimants and the time when and the officer of the Bank by whom the determination of title will be made.

(5) On the date and at the time fixed in the notice referred to in sub-rule (4) above, the officer shall—

- (i) examine the evidence adduced by the parties;

(ii) hear the parties affected and record such evidence as they adduce. No further evidence shall be recorded or entertained in cases where—

(a) the District Magistrate has been requested to record or to have the evidence recorded, or

(b) the Bank has directed one of its officers to record the evidence; and

(iii) determine the issue as to who is entitled to the bond.

(6) After determination of the issue by the officer, the Bank shall give notice in writing to each claimant of the determination so made.

(7) The notices prescribed in sub-rules (4) and (6) above shall be published in three successive issues of the Official Gazette of the Government as soon as possible after the date on which they are respectively issued.

(8) On the expiry of six months from the issue of the notices referred to in sub-rule (7), the Bank may make an order vesting the bond in the person found by the Bank to be entitled thereto.

**12. Indemnity Bonds.**—In cases to which section 9, 10 or 12 of the Act applies, the Bank may require any person considered by the Bank as being entitled to a bond to execute a security bond in Form C, with one or more sureties or to furnish security 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 the security bond or security in furtherance of sub-section (2) of section 16 of the Act, the amount thereof.

**13. Provision for recognition of title to bonds held by managing member of Hindu Joint Family subject to Mitakshara Law.**—The certificate required under the proviso to section 7 of the Act shall be a certificate signed by the District Magistrate after such enquiry (if any) as may in his opinion be necessary to determine the matters in question referred to therein.

**14. Receipt for renewal, etc.**—(1) Subject to any general or specific instructions of the Bank, the Public Debt Office may, by its order, on the application of the holder,—

(a) renew or consolidate a bond or bonds, provided that the bond or bonds has or have been receipted in Form D or E, as the case may be;

(b) renew, sub-divide or consolidate the stock certificate or stock certificates provided the stock certificate or stock certificates has or have been receipted in Form I, J or K, as the case may be.

(2) Sub-division of a bond or bonds will not be allowed except on an order made by the Bank in its discretion. If sub-division is permitted, the bond or bonds tendered for sub-division shall be receipted in Form F.

(3) The Public Debt Office may, under any of the sub-rules of this rule, require the applicant to execute a security bond in Form C with one or more sureties approved by the Public Debt Office or to furnish security 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 the security bond or security in furtherance of sub-section (2) of section 16 of the Act, the amount thereof.

**15. Discharge of Bond.**—(1) When the last instalment on a bond becomes due for payment or the bond is notified for redemption or becomes due for re-payment, it shall be presented at the office at which the instalment on the bond is payable or at the Public Debt Office and signed by the holder on its reverse.

(2) If the Public Debt Office is of the opinion that a doubt exists relating to the title to a bond, it may require the claimant to execute a security bond in Form C with one or more sureties approved by the Public Debt Office, or to furnish security not exceeding twice the amount of instalments involved to be held at the disposal of the Bank, to pay to the Bank or to any person to whom the Bank may assign the security bond or security the amount thereof.

**\*15A. Disposal of Bonds which have been repaid, renewed, etc.**—A Compensation Bond in respect of which a duplicate bond or a new bond has been issued or all the instalments 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 bond is not misused.

**16. When executant of a document or maker of an endorsement is unable to write.**—(1) If any person by whom any document relating to a bond is to be executed or by whom an endorsement is to be made on a bond satisfies a Magistrate that he is for any reason unable to write, and that the effect of the document or endorsement is fully understood by him, and that he is the person whom he represents himself to be, such Magistrate may, at the request of that person and subject to the provisions of this rule, execute the document or sign the endorsement on his behalf.

(2) Where any such document is to be executed or an endorsement signed by a Magistrate under this rule on behalf of any person, the Magistrate shall execute the document or sign the endorsement in the presence of that person, and shall enter below his own signature a certificate to the effect that the document was executed, or the endorsement signed, as the case may be, at the request of that person, after having been previously read over to the latter, and that he is satisfied that the effect of the document or the endorsement is fully understood by such person.

(3) Nothing in the above sub-rules shall preclude the Bank from acting upon the execution of a document relating to a bond or on an endorsement thereon in a manner otherwise than referred to above, provided the Bank is satisfied as to the genuineness and validity of the execution of the document or endorsement on the bond.

17. **Application for grant of information.**—(1) Any person requiring information regarding a bond in the custody of the Public Debt Office may apply to that office in writing stating the form in which the information is required.

(2) Every such application shall state with precision the particulars (namely the number, description and the face value) of the bond and shall contain a statement of the purpose for which the information is required and of the interest of the applicant in the bond. If any of the above particulars 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 particular or particulars, if available, to the applicant subject to such conditions and on payment of such fees, if any, as it may prescribe.

18. **Disposal of application for grant of information or inspection.**—The following provisions shall be observed in dealing with applications under rule 17:—

(1) If the application asks for any information in respect of a bond which has been renewed, consolidated, or sub-divided otherwise than in the name of the person who has renewed, consolidated or sub-divided the bond or asks for inspection of such bond, or any register or book kept or maintained in the Public Debt Office in respect thereof or of any entry of such bond in such register or book, the application shall be refused. The register or the book shall mean the register or the book in which the bond is entered, registered or referred to.

(2) If the applicant asks for inspection or information in respect of a bond which has been cancelled on payment of the amount due in respect thereof, it shall be referred to and disposed of under the orders of the Bank.

(3) In any other case the Public Debt Office may subject to the provisions hereinafter contained, grant a certified copy of any endorsement on a bond of any entry in any register or book maintained or kept by that office relating to any bond, on being satisfied that the bond in question has stood in the name of the applicant, or of a person in whom the applicant has a representative interest, and further that the applicant has *bona fide* interest in the bond in respect of which the application is made:

Provided that if the bond has been cancelled for payment of the amount due in respect thereof, no copy of any endorsement thereon shall be granted which purports to give a title subsequent to the termination of the applicant's interest in the bond.

(4) The Public Debt Office may, under a special order of the Bank, supply any information regarding a bond referred to in sub-rules (2) and (3) which is directed to be supplied by such an order.

(5) If an applicant asks for—

(a) any information from the record of the Public Debt Office or the Bank in connection with a bond,

(b) a copy of any document from the record, and

(c) inspection of any record generally or any document or documents specifically,

the application shall be referred to and disposed of subject to the provisions of sub-rule (1) of this rule under the order of the Bank.

(6) If the application relates to the grant of permission for inspection of an instalment warrant or of information relating to payment of instalments for a specific period, the application may be granted by the Bank provided the applicant was the person to whom instalments were paid.

(7) No information from any document or record in respect of the proceedings instituted by the Bank under section 12 of the Act shall be granted by the Bank.

**19. Indemnity Bond and fees in connection with grant of information or inspection.**—(1) Every applicant shall, before any information is supplied or permission for inspection granted to him, execute a bond of indemnity as nearly as may be in Form G for the amount as hereinafter mentioned—

(a) the bond of indemnity for grant of information or inspection under any of the sub-rules (1) to (4) of rule 18 shall be for twice the amount of the instalments paid on the bond or bonds from the date of issue, and

(b) the bond of indemnity for grant of information or of permission for inspection under sub-rules (5) and (6) of rule 18 shall be for such amount as may be determined by the Bank.

(2) Every applicant shall, before any information is supplied to him under rule 17 or 18, pay a fee of Re. 1 for each bond in respect of which any information is supplied and a fee of Re. 1 shall be paid for each certified copy granted under Rule 18.

(3) The Bank may waive the execution of a bond of indemnity or may forgo the fees either wholly or partly payable to the Bank under sub-rule (2) above, or may do both.

**20. Fees.**—The following fees shall be paid in respect of applications under section 11 of the Act, namely :—

For each renewed, consolidated, sub-divided or duplicate bond, 5 Paise per cent. if the face value of the new bond does not exceed Rs. 400, and Re. 1 if the new bond exceeds that sum.

### FORM A

[See Rule 3]

#### *Form of Bond issued under Rule 3*

The Governor ..... hereby promises to pay to ..... at any treasury in the ..... Rs. .... only

together with interest accruing thereon at the rate of .....  
 per cent per annum in equated/equal yearly/half-yearly instal-  
 ments on the ..... day of ..... and ..... every year  
 during the period of ..... years from the .....  
 day of ..... or earlier at the absolute option of the  
 Governor of ..... subject to the  
 provisions of the ..... and the rules framed  
 thereunder.

Dated the ..... day of .....

Manager,  
 Reserve Bank of India,  
 Public Debt Office.

FOR AND ON BEHALF OF THE GOVERNOR OF .....

Governor, Reserve Bank of India.

FORM AA

[See Rule 3]

*Form of Stock Certificate issued under Rule 3*

Inscribed Stock of the.....Per cent. Compensation  
 Bonds of the Government of.....

I hereby certify that .....  
 is the registered Proprietor of .....  
 Rs. .... Government Stock of the Compensation  
 Bonds which bear interest at ..... per cent per annum,  
 payable yearly/half-yearly from.....

Governor, Reserve Bank of India  
 Manager,  
 Reserve Bank of India,  
 Public Debt Office,

Dated.....

FORM C

[See Rule 12]

Security Bond

This Agreement is made on the ..... day of .....  
 Between ..... son of .....  
 ..... resident of ....., of the one part and the  
 Reserve Bank of India of the other part.

Whereas I/we am/are the true and lawful owner/s of the  
 represent

.....  
 Bonds specified in the Schedule 'A' hereto annexed. .

And whereas I/we have applied to the Reserve Bank of India,  
 Public Debt Office, ..... for ..... of the said  
 Bonds and the said Bank has consented so to do upon my/our  
 giving security of Rs. .... to meet a claim by a rightful  
 owner to the said Bonds in case there shall be such a claim.

Now these Presents 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 said Bonds 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 Bonds.

In witness whereof I/we have subscribed my/our name/names  
 ..... day of .....

Signed by the within mentioned in the .....  
 presence of .....

Principal.

I/We ..... between .....

..... son of ..... resident of  
 ..... hereby undertake to make good any claim to  
 the rightful owner of the Bonds 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.

Schedule "A" referred to in the Security Bond

Nature and description of the Bond	Number	Date of issue	Amount

**FORM B**  
[See Rule 5]

Receipt for equated, equal annual/half-yearly instalments on .....  
 Received from the Government Treasury at ..... instalments due on .....  
 ..... as follows :-

No. of Bond 1	Amount of each Bond 2	Amount of yearly/half-yearly instalment 3		Number of yearly/half yearly instalments due 4	Total amount due 5		Date up to which instalment is due 6	*Name and address of the holder of the Bond 7
		Principal	Interest		Principal	Interest		
		*Rs. P.	*Rs. P.		*Rs. P.	*Rs. P.		
				*Deduct Income-tax at per cent				
				Surcharge				
				Net amount payable				
				Total Rupees				

Total received (in words) ..... Signature

(State whether holder or holder's attorney or administrator.)

\*Vide M. F. (D.E.A.) Notification G.S.R. 757, dt. 5-6-62.



**FORM D**

[See Rule 14]

*Form of Indorsement for renewal of a Bond*

Received in lieu hereof a renewed bond payable to (name of holder), with instalments payable at ..... Treasury.

Signature of the holder/duly authorised representative of (name of holder) .....

---

**FORM E**

[See Rule 14]

*Form of Indorsement 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) with instalments payable at ..... Treasury.

Signature of the holder/duly authorised representative of (name of holder) .....

---

**FORM F**

[See Rule 14]

*Form of Indorsement for Sub-Division of a Bond*

Received in lieu hereof ..... bonds for Rs. .... respectively, payable to (name of holder), with instalments payable at ..... Treasury.

Signature of the holder/duly authorised representative of (name of holder) .....

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**FORM G**

[See Rule 19]

*Form of Indemnity Bond*

Whereas I/We ..... son of ..... resident at ..... (and ..... son of ..... resident at ..... claim to be entitled .....

(Here state in what capacity claim to the bonds is made) to the Bond(s) specified in the schedule hereunder written and have represented to the Reserve Bank of India, Public Debt Office, ..... that the said Bond(s) has/have been ..... and have applied to the Reserve Bank of India, Public Debt Office, ..... for an inspection of the said Bond(s) and also for all other information and particulars respecting the said Bond(s) and

whereas the Reserve Bank of India, Public Debt Office, ..... has agreed to give inspection and to afford to me/us all information and particulars affecting the said Bond(s), I/we oblige myself/ourselves my/our heirs and assigns whatsoever.

(To be omitted if bond taken from one person only) (jointly and severally) to guarantee and defend and relieve the Reserve Bank of India, Public Debt Office, ..... and the Government to the extent of Rs.\* ..... from all and any claim, question and expenses which may be raised against or incurred by the Reserve Bank of India, Public Debt Office, ..... or the Government in reference to the said Bond(s).

In witness hereof I/We have subscribed my/our name(s) this ..... day of .....

Signed by the within mentioned in the presence of .....  
Applicant's Signature,

The Schedule referred to in the foregoing Bond.

\*Double the amount of the instalments paid thereon since the respective dates of issue.

## FORM H

{See Rule 4}

### Form of Transfer

I/We ..... do hereby assign and transfer my/our interest or share in the Inscribed Stock of the ..... per cent. Compensation Bonds of the Government of ..... amounting to Rs. .... being the amount/a portion of the stock for Rs. .... as specified on the face of this instrument together with the accrued interest thereon unto ..... his/her/their executors, administrators or assigns, and I/We ..... do freely accept the above stock transferred to me/us.

As witness our hand the ..... day of .....  
One thousand nine hundred and .....

Signed by the above-named Transferor .....  
..... in the presence of .....  
..... (Seller).

Signed by the above-named Transferee .....  
in the presence of .....  
..... (Buyer).

Address.

†Signature, Occupation and address of witnesses.

## FORM I

[See Rule 14]

*Form of Indorsement for renewal of a stock certificate*

Received in lieu hereof a renewed stock certificate of the...  
 ..... per cent. Compensation Bonds of .....  
 for Rs. .... in the name of .....  
 with interest payable at ..... Treasury.

Signature of the registered holder/duly authorised representa-  
 tive of (name of registered holder) .....

## FORM J

[See Rule 14]

*Form of Indorsement for sub-division of a stock certificate*

Received in lieu of this stock certificate .....  
 stock certificates for Rs. .... respectively of the .....  
 ..... per cent. Compensation Bonds of .....  
 with interest payable at .....  
 ..... Treasury.

Signature of the registered holder/duly authorised representa-  
 tive of (name of registered holder) .....

## FORM K

[See Rule 14]

*Form of Indorsement for consolidation of stock certificates*

Received in lieu of stock certificates Nos. .... for  
 Rs. .... respectively of the ..... per cent.  
 Compensation Bonds of ..... a stock certificate for  
 Rs. .... of the per cent. Compensation Bonds  
 of ..... with interest payable at .....  
 Treasury.

Signature of the registered holder/duly authorised representa-  
 tive of (name of registered holder) .....

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**Section IV**  
**THE PUBLIC DEBT (ANNUITY CERTIFICATES)**  
**RULES, 1954**

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## THE PUBLIC DEBT (ANNUITY CERTIFICATES) RULES, 1954

†**Introduction.**—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 Certificates) Rules, 1954.

(2) They shall—apply to a Government security in the form of an annuity certificate issued under clause (2)(a)(iv) 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 refers—

- (1) “the Act” means the Public Debt Act, 1944 (18 of 1944) ;
- (2) “annuity” means any periodical payment of a part of the principal and interest in pursuance of the issue of an annuity certificate as may be determined by the Government ;
- (3) “annuity certificate” means a Government security which provides for payment of an annuity ;
- (4) “the Bank” means the Reserve Bank of India ;
- \* (4a) “commutation value” means such amount payable in one sum in respect of an annuity certificate on its surrender. (and in lieu of the outstanding annuities payable thereon after the date of surrender) as the Government may specify ;
- (5) “Form” means a Form as set out in the Schedule to these rules ;
- (6) “the Government” means the Central Government ;
- (7) “Public Debt Office” means the office of the Reserve Bank of India on the books of which an annuity certificate is or may be registered ;
- (8) “mutilated annuity certificate” means an annuity certificate which has been destroyed, torn or damaged in material parts thereof and the material parts of an annuity certificate are those where :
  - (i) the number, description and the face value of the annuity certificate or payments of annuity are recorded, or

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†Vide MF. (D.E.A.) Notification S. R. O. 2840, dated 25-8-54.

\*Vide MF. (D.E.A.) Notification No. G.S.R. 1257, dt. 29-9-62.

(ii) the name of the payee is written.

(9) "defaced annuity certificate" means an annuity certificate which has been made illegible in material parts;

(10) "lost annuity certificate" means an annuity certificate which has actually been lost and shall not mean an annuity certificate which is in the adverse possession of any person other than the claimant; and

(11) "section" means a section of the Act.

**3. Non-transferability of Annuity Certificates.**—An annuity certificate shall not be transferable.

**4. Payment of Annuity.**—(1) The amounts due on an annuity certificate may be made payable at any treasury or sub-treasury in India or at the Public Debt Office, subject to compliance by the holder of such formalities as the Public Debt Office may require and the payment shall accordingly be made at such treasury or sub-treasury or at the Public Debt Office on presentation of the annuity certificate. The payee shall give a receipt in Form A. Where, however, the payment is due at a place where a Public Debt Office is located, the annuity certificate shall be presented at the Public Debt Office which shall issue an annuity warrant in favour of the holder payable at the local office of the Bank. Notwithstanding anything contained herein, any payment due at a treasury or sub-treasury may be made by the Public Debt Office by a warrant payable at such treasury or sub-treasury.

\*(2) Payment of Commutation value of Annuity Certificates:—

At the option of the holder, payment of commutation value may be made to him on his applying in writing to the Public Debt Office and surrendering the annuity certificates duly discharged in Form AIII. The Public Debt Office may authorise payment at any treasury or sub-treasury in India or at a branch of the State Bank of India or any of its subsidiary banks conducting Government treasury business, as may be specified by the holder.

†4A. **Nomination in respect of an Annuity Certificate.**—(1) A sole holder or a sole surviving holder of a Government security issued in the form of annuity certificate [whether before or after the commencement of the Public Debt (Annuity Certificates) Amendment Rules, 1960] who is not a minor, may nominate a person or persons who shall be entitled to the certificate and to payment thereon in the event of the death of the holder:

Provided that—

- (a) the person or each of the persons nominated is himself competent to hold an annuity certificate; and
- (b) some part at least of the amount payable under the certificate has not become payable.

\* Vide M.F. (D.E.A.) Notification No. GSR 1257, dt. 29-9-62.

† Vide M.F. (D.E.A.) Notification No. GSR 847, dt. 30-7-60.

(2) Every nomination under sub-rule (1), whether in substitution of a nomination already made or not, shall be made in form AI.

(3) A nomination made under this rule may, on a subsequent date, be cancelled in writing in form AII.

(4) As soon as possible after a nomination is made or a nomination already made is cancelled, the person making or cancelling the nomination shall send to the Public Debt Office the form of nomination or cancellation, as the case may be, together with the certificate to which it relates and the fee prescribed in sub-rule (5); and thereupon the Public Debt Office shall register the nomination or, as the case may be, the cancellation in its books and return the certificate with an endorsement thereon that a nomination has been made in respect of the certificate or that the nomination already made has been cancelled.

(5) The fee for the registration of a nomination or any cancellation thereof shall be Re. 1 per certificate, provided that no fee shall be charged for the registration of the first nomination in respect of any certificate.

(6) No nomination or cancellation of a nomination shall take effect unless and until it has been registered in the Public Debt Office in accordance with this rule.

**\*4B. Effect of nomination on renewal, etc.**—The rights which a nominee, or nominees have acquired in relation to any annuity certificate under a nomination duly made and registered under rule 4A 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 Certificate is lost etc.**—(1) Every application for the issue of a duplicate annuity certificate in the place of an annuity 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 payments have been made;
  - (ii) the place at which the annuity certificate was for the time being enfaced for payment;
  - (iii) the circumstances attending the loss, theft, destruction, mutilation or uelacement; and
  - (iv) whether the loss or theft was reported to the police;
- (b) the Post Office registration receipt for the cover containing the annuity 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 certificate and that the annuity 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 certificate.
- (2) A duplicate of the letter sent to the Public Debt Office but not of its enclosures, shall also be sent to the treasury 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 certificate, order the Public Debt Office to issue a duplicate annuity certificate.

**6. Determination of Mutilated Annuity Certificate Requiring Renewal.**—It shall be at the option of the Bank to treat an annuity certificate which has been mutilated or defaced, as an annuity certificate requiring issue of a duplicate under rule 5 or a renewal under rule 7.

**7. When an Annuity Certificate is Required to be Renewed.**—(1) A holder of an annuity 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 certificate is torn or in any way damaged;
- (b) if the annuity 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 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 Bonds by Persons entitled to Annuity Certificates.**—In cases to which section 9, 10, 11 or 12 applies, the Bank may require any person considered by it as being entitled to an annuity certificate to execute a bond in Form B, with or without sureties or furnishing collateral 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 the bond or security in furtherance of sub-section (2) of section 18, the amount thereof.

**\*8A. Provision for recognition of title to Annuity Certificates held by managing member of Hindu Joint Family subject to Mitakshara Law.**—The certificate required under the proviso to section 7 of the Act 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.

\*Vide M. F. (D.E.A.) Notification No. GSR 980, dt. 11-7-1964.

\*9. **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 certificate provided that the annuity certificate has been received in form C or, as the case may be, in form C-1.

10. **Application for Grant of Information.**—(1) Any person requiring information regarding an annuity certificate in the custody of the Public Debt Office 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 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 certificate. If any of the above particulars 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 particular or particulars, if available, to the applicant subject to such conditions and on payment of such fees, if any, as it may direct.

11. **Disposal of Application for Grant of Information or Inspection.**—The Bank may reject any application for grant of information about any annuity certificate without stating any reason therefor.

12. **Indemnity Bond and Fees, in connection with Grant of information or Inspection.**—(1) Before any information is supplied, every applicant shall, if so required by the Bank, execute a bond of indemnity as nearly as may be in Form D for such amount as may be specified by the Bank not exceeding twice the value of the annuity 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 certificate in respect of which any information is supplied.

13. **Fees.**—Every applicant shall pay a fee of one rupee for each renewed, or duplicate annuity certificate before a renewed or duplicate annuity certificate is issued to him.

†13-A. **Disposal of Certificates which have been repaid, renewed, etc.**—An Annuity Certificate in respect of which a duplicate certificate or a new certificate has been issued or all the instalments 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.

14. **Public Debt Rules with certain exceptions not to apply to Government Securities governed by these Rules.**—The Public Debt Rules, 1946 except rule 4 thereof shall not apply to such Government securities in the form of annuity certificates to which these rules apply.

\*Vide M.F. (D.E.A.) Notification No. GSR 847 dt. 30-7-60.

†Vide M.F. (D.E.A.) Notification No. GSR 1097 dt. 13-8-62.



# FORM 'A'

[See Rule 4]

*Receipt for payment on Annuity Certificates*

..... Annuity Certificates

Received from the Government Treasury at ..... — payment due on Annuity Certificates as follows:—

No. of Annuity Certificate	Amount of each Certificate		Amount of payment		Period for which payments are due	Total amount due		Date upto which payment is due	Name of holder of Annuity Certificate
	Rs.	P.*	Rs.	P.*		Rs.	P.*		
					TOTAL				

Total received (in words)

Signature.....

(State whether holder or holder's attorney or administrator.)

\*Vide M.F.(D.E.A.) Notification No. GSR 758 dated 5-6-62.

## @FORM AI

[See Rule 4A(2)]

**Nomination made under Section 9B(1) of the Act and Rule 4A**

1. I ..... (Name and address) nominate the following person/s who shall, on my death have the right to receive payment of the amount for the time being due on the certificate specified below.

Certificate				Nominee		
Nature	Distinguishing number	Denomination	Date of purchase	Name	Address	Date of birth

2. \*As ..... the sole nominee above is a minor on  
Nominee No. ....

this date, I appoint Shri/Smt./Kumari .....to receive the  
(name and address)

amount for the time being due on the above certificate in the event of my death during the minority of the said nominee\*\*.....

3. †This nomination is in substitution of the nomination dated ..... made by me and registered in your books on the ..... which shall stand cancelled on registration of this nomination.

Place ..... Signature/Thumb Impression of the holder.

Date.....

Signatures and addresses of witnesses:

1.

2.

@Vide M.F. (D.E.A.) Notification No. G.S.R. 847 dt. 30-7-60

\*Not to be filled in, unless nominee is a minor.

\*\*Name of the nominee.

† This paragraph may be struck out when the nomination is not in substitution of one already made.

**\*FORM AII**

[See Rule 4A(3)]

Notice of cancellation of nomination under section 9B(1) of the Act and Rule 4A

I ..... (name and address) do hereby cancel the nomination dated ..... made by me in respect of the following certificate and registered by the Public Debt Office on the ..... (date).

*Particulars of the Certificate*

Place ..... Signature/Thumb Impression of the holder.

Date .....

Signatures and addresses of witnesses :

1.

2.

**\*\*FORM AIII**

[See Rule 4(2)]

*Receipt for commutation value of Annuity Certificates*

Received Rs.———(in words)——— being the commutation value of the outstanding amount on this certificate (which hereby stands fully discharged) in terms of paragraph——— of the Government of India, Ministry of Finance, Notification No.——— dated———.

Signature of Holder

**FORM B**

[See Rule 8]

*Security Bond*

This Agreement is made on the ..... day of .....  
Between .....  
son of .....  
resident of .....  
of the one part and the Reserve Bank of India of the other part.

Whereas I/we am/are represent the true and lawful owner/s of the ..... Annuity Certificates specified in Schedule "A" hereto annexed.

And whereas I/we have applied to the Reserve Bank of India, Public Debt Office ..... for ..... of the said Annuity 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 Certificates in case there shall be such a claim.

\*Vide M.F. (D.E.A.) Notification No. GSR 847 dt. 30-7-60.

\*\*Vide M.F. (D.E.A.) Notification No. GSR 1257 dt. 29-9-62.

Now these Presents 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 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 Certificates.

In witness whereof I/we have subscribed my/our name/names  
.....day of .....

Singed by the within mentioned  
in the presence of

Principal.

I/We.....

son of .....

resident of .....

hereby undertake to make good any claim to the rightful owner of the Annuity 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.

*Schedule "A" Referred to in the Bond*

Nature and description of the Annuity Certificate	Number	Date of Issue	Amount

FORM C

[See Rule 9]

*Form of endorsement for renewal of an Annuity Certificate*

Received in lieu hereof a renewed annuity certificate payable to (name of holder) ..... with annuity payable at ..... Treasury.

Signature of the holder/duly authorised representative of  
(name of holder) .....

## \*FORM C-1

[See Rule 9]

*Form of endorsement for sub-division of an Annuity Certificate*

Received in lieu of this Annuity Certificate ..... Annuity  
Certificates for Rs. .... respectively with annuity payable  
at ..... Treasury.

Signature of the holder/duly authorised representative of  
(name of the holder).....

## FORM D

[See Rule 12]

*Form of Indemnity Bond*

Whereas I/we .....  
son of .....  
resident at .....  
(and .....  
son of .....  
resident at .....  
claim to be entitled .....)

(Here state in what capacity claim to the Annuity Certificates is made) to the Annuity Certificate(s) specified in the Schedule hereunder written and have represented to the Reserve Bank of India, Public Debt Office, ..... that the said Annuity Certificate(s) has/have been ..... and have applied to the Reserve Bank of India, Public Debt Office, ..... for an inspection of the said Annuity Certificate(s) and also for all other information and particulars respecting the said Annuity Certificate(s) and whereas the Reserve Bank of India, Public Debt Office, ..... has agreed to give inspection and to afford to me/us all information and particulars affecting the said Annuity Certificates I/we oblige myself/ourselves my/our heirs and assigns whatsoever.

(To be omitted if bond taken from one person only)

(jointly and severally) to guarantee and defend and relieve the Reserve Bank of India, Public Debt Office, ..... and the Government to the extent of Rs.† ..... from all and any claim, question and expenses which may be raised against or incurred by the Reserve Bank of India, Public Debt Office, ..... or the Government in reference to the said Annuity Certificate(s).

In witness hereof I/we have subscribed my/ our name(s) this  
..... day of .....

Signed by the within mentioned  
in the presence of.....

Applicant's signature.

The Schedule referred to in the foregoing Bond.

\*Vide M.F. (D.E.A.) Notification No. GSR. 847, dt. 30-7-60.

†Double the amount of the payments made thereon since the respective

[No. F

H. S. N

of issue  
B/54.]