

THE PUBLIC DEBT (AMENDMENT) ACT, 1959

No. 44 OF 1959

[18th September, 1959]

An Act further to amend the Public Debt Act, 1944.

Be it enacted by Parliament in the Tenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Public Debt (Amendment) Act, 1959. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. After section 9 of the Public Debt Act, 1944 (hereinafter referred to as the principal Act), the following sections shall be inserted, namely:— Insertion of new sections 9A, 9B and 9C in Act 18 of 1944.

“9A. Notwithstanding anything contained in section 1A, the provisions of sections 9B and 9C and the power to make rules in relation to any of the matters referred to in sections 9B and 9C shall apply only to such classes of Government securities created and issued by the Central Government, whether before or after the commencement of the Public Debt (Amendment) Act, 1959, as that Government may, by notification in the Official Gazette, specify, and in relation to such classes of securities the provisions of sections 7 and 9 shall have effect subject to the provisions contained in sections 9B and 9C. Application of sections 9B, 9C, etc.

9B. (1) Notwithstanding anything contained in any law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of a Government security, where a nomination made in the prescribed manner purports to confer on any person the right to receive payment of the amount for the time being due on the security on the death of the holder thereof, the nominee shall, on the death of the holder of the security, become entitled to the security and to payment thereon to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. Nominations by holders of Government securities.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees all the nominees predecease, the holder of the security making the nomination.

(3) A transfer of a Government security made in the prescribed manner shall automatically cancel a nomination previously made:

Provided that where a Government security is held by or on behalf of any person as a pledgee or by way of security for any purpose, such holding shall not have the effect of cancelling a nomination, but the right of the nominee shall be subject to the right of the person so holding it.

(4) Where the nominee is a minor it shall be lawful for the holder of a security to appoint in the prescribed manner any person to receive the amount for the time being due on the security in the event of his death during the minority of the nominee, and, where any such appointment has been made, the Government security shall, after the death of the holder and during the minority of the nominee, be deemed to be vested in that person as representing the minor.

Payment on
death of
holder.

9C. (1) If a person dies and he is at the time of his death the holder of a Government security and there is in force at the time of his death a nomination in favour of any person, the amount for the time being due on the security shall be paid to the nominee.

(2) Where the nominee is a minor, the amount for the time being due on the Government security shall be paid—

(a) in any case where a person has been appointed to receive it under sub-section (4) of section 9B, to that person; and

(b) where there is no such person, to the guardian of the minor for the use of the minor.

(3) Where the amount due for the time being on a Government security is payable to two or more nominees and either or any of them is dead, the title to the security shall vest in the survivor or survivors of those nominees and the amount for the time being due thereon shall be paid accordingly.

(4) Nothing contained in this section shall be deemed to require any person to accept payment of the amount due on a Government security before it has reached maturity or otherwise than in accordance with the terms of the security.

(5) Any payment made in accordance with the provisions of this section of the amount due for the time being on a Government security shall be a full discharge in respect of the security:

Provided that nothing contained in this section or in section 9B shall affect any right or claim which any person may have against the person to whom any payment is made under this section.”.

3. In section 28 of the principal Act, in sub-section (2), after clause (o), the following clauses shall be inserted, namely:—

Amendment
of section
28

“(p) the form in which and the persons in whose favour nominations may be made under section 9B, the manner in which and the conditions and restrictions subject to which such nominations may be made, the registration, variation or cancellation of such nominations and the fees that may be levied for such registration, variation or cancellation;

(q) the manner in which any person may be appointed for the purposes of sub-section (4) of section 9B.”.