

Public Debt Rules, 1946

1. Short title and application

- (1) These rules may be called the Public Debt Rules, 1946.
- (2) These rules shall apply to the whole of Pakistan including Baluchistan and those excluded and partially excluded areas to which the Public Debt (Central Government) Act, 1944 (XVIII of 1944) has the Public Debt Act, 1944 (XVIII of 1944) has been or may hereafter be applied by notification under sub-section (1) of section 92 of the Government of India Act, 1935 and shall come into force on the 1st May 1946.
- (3) They shall apply only in the case of those securities issued by the Federal Government to which the Public Debt Act, 1944 (XVIII 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 (XVIII of 1944).
 - (2) “the Bank” means the State Bank of Pakistan ;
 - (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 State Bank of Pakistan to perform the duties under the Act;
 - (5) “Form” means a form as set out in the Schedule to these rules;
- “(5A)” “Income Tax Bond” means an Income Tax Bond payable to or to the order of a certain person issued in Form 1A for the purposes of section 12 of the Finance Act 1966 (XI of 1966) read with section 3A of the Income Tax Act 1922 (XI of 1922)”; amended in terms of Ex. Ord.Gazette No. SRO 38 ® / 67 dated 24-3-67.
- “(5B)” “Government (@) a Bond payable to or to the order of a certain person issued in Form IC for the purposes of Article 7C of the Economic Reforms Order, 1972 (P.O. No. 1 of 1972);”;

World Central Government in the title of the Act has been Omitted vide Extra Ordinary No. S-1033 dated 3-3-1961 in terms of Ordinance VII of 1961.

- (6) “Public Debt Office” means the office of the State bank of Pakistan on the books of which a 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 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.

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 Pakistan.
- (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 State.
- (6) Income Tax Bond, (7) GTDR. (8) Govt. Bonds (9) IFDC.

- (7) A Government treasury deposit receipt payable to or to the order of a certain person or institution person or institution in Form 1B issuable to every person or institution other than a banking company or a bank, excluding the Agricultural Development Bank of Pakistan, and the Industrial Development Bank of Pakistan.”;

“3A. Government Promissory note to include Income Tax Bond and a Government Bond, ---

In these rules, reference to a Government promissory notes shall, excepts as otherwise expressly provided, be deemed to include a reference to an Income Tax Bond” and a Government Bond.

“3B.Treasury Bill to include Government treasury deposit receipt.---

In these rules, reference to a treasury bill shall be deemed to include a reference to a Government treasury deposit receipt except that a Government treasury deposit receipt shall not be transferable to or qua a banking company or a bank other than the State Bank of Pakistan the Federal Bank for co-operatives, the Agricultural Development Bank of Pakistan, and the Industrial Development Bank of Pakistan.”;

“3C.Treasury Bill to include Government of Pakistan Market Treasury Bill. ---

- (8) In these rules, reference to a Treasury Bill shall except, as provided in sub-section (3) of section 13 and section 29 of Banking Companies Ordinance, 1962, be deemed to include a reference to a Government of Pakistan Market Treasury Bill”;
- (9) An Interest Free Deposit Certificate, (I.F.D.C.) payable to or to the order of a certain person issued in; Form “ID”. In these Rules reference to a Government Promissory Note shall be deemed to include a reference to an interest Free Deposit Certificate except that the interest Fre Deposit Certificate shall be non-interest bearing.
- (10) Government of Pakistan Market Treasury Bill payable to or to the order of a certain person or firm or institution in Form 1-E issuable to every person or institution.”

4. Form of Government Security issuable under sub-section (2) (a) (iv) of Section 2 of the Act. ---

The Federal Government may prescribe by notification in the official Gazette any other form of Government security issued under sub-section (2) (a) (iv) of section 2 of the Act.

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 Bank 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 State.---

- (1) Government securities may be issued to the Ruler of a State in Pakistan, at his request in Form I, provided that---
 - a) The Ruler has been admitted to this privilege by order of the Federal Government, and
 - 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, of 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 bond shall be transferable by delivery. The person in possession of the bond shall be deemed to be a holder of the bond.
- (3) Stock. ---
- a) Stock for which a stock certificate is issued or which is held in the Subsidiary General Ledger Account shall be transferable either wholly or in part by execution of an instrument of transfer in Form II or III as the case may be.
 - 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.
- (4) Promissory notes in Form I issued to a Ruler of a 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 receipted in Form XVI and on payment of the prescribed fee to obtain there from Government promissory note or notes for the nominal value of the note transferred.

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 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 favor of the President of Pakistan.
- (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 authorized 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 executive 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 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 authorize 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 any thing 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.

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 on Government promissory note may be made payable at any treasury or sub-treasury in Pakistan 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 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 shall be presented at the Public Debt Office which shall issue an interest warrant in favor of the holder payable at the local office of the Bank. Notwithstanding anything contained herein, the Public Debt Office may pay interest on a

Government promissory note, the interest on which is payable at a treasury or sub-treasury by an interest warrant payable at such treasury or sub-treasury.

(2) Stock.---

Interest on stock shall be paid by warrant issued by the Public Debt Office and payable at the local office of the Bank. Such warrants may, at the requests 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 other office of the State Bank of Pakistan or any agency thereof conducting Government treasury business or at any treasury or sub-treasury in Pakistan or, in a State in Pakistan, at the Head Post Office, if there is no Pakistan treasury or, if there is no Head Post Office, at any Post Office designated by the Central Government by order in writing in this behalf. The presentation of the stock certificate shall not be required at the time of payment of interest, but the payee shall acknowledge receipt on the back of the warrant.

(3) Bearer Bond.

Interest on a bearer bond shall be paid to any person who presents the coupon entitling him to such interest at the Public Debt Office or the treasury in Pakistan at which the bond is registered for payment of interest.

(4) Deleted.

(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 authorized 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 the 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 Rule 12,13,14,15,16 or 17, 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 the 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 applications 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---

- (a) A statement of the following particulars, namely: ---
 - (i) The last half for which interest has been paid;
 - (ii) The person to whom such interest was paid;
 - (iii) The person in whose name the note was issued (if known);
 - (iv) Particulars of coupons attached (if any);
 - (v) The place for payment of interest at which the note was for the time being enfaced;
 - (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;
 - (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)

- a. 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 three successive issues of the Gazette of Pakistan and of the local official Gazette if any, of the place where the loss, theft, destruction, mutilation or defacement occurred. 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 per cent loan of..... 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

favor of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above mentioned security.

Name of person notifying
Residence”

- b. In the case of G.P Note (s) upto Rs. 1000/- face value the requirement of notification in the Gazette by the applicant as provided in clause (a) above shall be dispensed with”
- (4) (b) 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 an 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 6 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 two years as hereunder and
 - (II) To issue the applicant a duplicate note in place of the note so lost, stolen, destroyed, mutilated or defaced two 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 2 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 specific request for the investment of the

amount in securities of any of the current rupee loans of the Federal 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 application 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 two years referred to therein become final unless it is in the meantime rescinded or otherwise modified.
- (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.
- (5) 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 two years as it may think fit.
- (6) Indemnity bonds ---
 - (i) (a) When executed under sub-rule (4) (b) (I) 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 elapsed 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 one issue each of the Gazette of Pakistan and of the local official Gazette, if any, of the place where the loss, theft, destruction, mutilation or defacement occurred. Such

notification should be in the form of 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 onand 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 is 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 authorize 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 the 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 or any of the current rupee loans of the Federal 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 two 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 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 lost 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 three successive issues of the Gazette of Pakistan and of the local official Gazette, if any of the place where the loss, theft, destruction, mutilation or defacement occurred. 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).

[bearer bond No.]

“The -----of the per cent. Loan
[coupons relating to bearer bond No.]

(together with coupons or without coupons) for Rs. having
for Rs.

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 six months 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 coupon so lost, stolen, destroyed, mutilated or defaced to be included in a list such as is referred to in Rule 18 hereby and shall pass a provisional order requiring the Public Debt Office on the expiry of two 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 two 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 the sub-rule (6) shall on the expiry of the two years referred to therein become final unless it is in the meantime rescinded or other wise 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 two 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 Gazette of Pakistan and the local official Gazette if any of the place where the loss, theft, destruction, mutilation or defacement occurred. 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 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.....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 six months from the date of the last notification prescribed in sub-rule (2) if prima facie ground 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 two 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 two 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 two 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 be 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 I, when such note is lost, stolen, destroyed, mutilated or defaced.

18. Publication of list.---

- (1) The lists referred to in Rules 12 to 15 shall be published half yearly in the Gazette of Pakistan in the months of January and July or as soon afterwards as may be convenient.
- (2) All Government promissory notes treasury bills, bearer bonds, coupons prize bonds and notes in Form I in respect of which 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 every succeeding list until the expiration of two years from the date of first publication.
- (3) the list shall contain as far as possible the following particular regarding each note, treasury bill, bearer bond, coupon, prize bond and note in Form I included therein namely the name of the loan the number of the Government security its value, the person to whom it was issued, the date from which it bears interest, the dividend number and date of the coupon the name of the applicant for a duplicate the number and the date of the order passed by the Bank for payment of interest or issue of a duplicate and the date of publication of the list in which the Government security or the coupon was first included.

19. Determination of title by vesting order.---

Notwithstanding anything contained in Rules 12 to 17 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 17 or mere renewal under Rule 24.

21. When a 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 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.

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 or in the case of a State the Political Agent 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 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 the adduce. No further evidence shall be recorded or entertained in cases where---
 - (a) the District Magistrate or the Political Agent as the case may be, 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 notice prescribed in sub-rules (4) and (6) above shall be published in three successive issues of the Gazette of Pakistan and the local official Gazette 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 to 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
 - (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 realize 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 vested under sub-rule (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 for 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. renewal sub-divide or consolidate a Government promissory note or notes in the case of Income-tax Bonds and Government Bonds only such as bear the same date of maturity being eligible for consolidation provided that the note or notes (including an Income-tax Bond and a Government Bond) has or have been receipted in Form VI, VII or VIII as the case may be or”; and

b. convert the note or notes into a stock certificate or stock certificates, provided that the note or notes has or have been endorsed “Pay to the President of Pakistan” or

c. convert the note or notes other than an I.T.B. 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 certificate 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 stock 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
- (iii) 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:---

“Tender for cancellation and credit to. ...(name of the holder)
 Subsidiary General Ledger Account
 Signature of holder.....”

- (1) 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.

- (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 receipted 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 or a prize bond becomes due for payment of principal the security in the form of ---
 - (a) a Government promissory note
 - (b) stock for which certificates are issued
 - (c) a promissory note issued in Form I and
 - (d) a bearer bond.

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 reserve. 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 acquaintance 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

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 subdivision 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 executants 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.

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 applicant for grant of information or inspection. ---

The following provisions shall be observed in dealing with applicants under Rule 28.

- (1) If the application asks for any information in respect of a 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 order 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 on 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,
 - (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-rule (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-rule (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 applications under section 11 of the Act, namely: ---

For each renewed, converted consolidated sub-divided or duplicate security @ 75 paise per cent. If the new security does not exceed in amount Rs.400, and Rs.3 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 note which bears no endorsement other than an endorsement by the State Bank of Pakistan the Controller of the Currency his Deputy or Assistant or an Accountant General his Deputy 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 encasement for payment of interest.

32. The Securities Rules, 1935, shall cease to apply to those Federal Government securities to which the act and these rules apply.

Suggestions / feedback may reach us by **31st August 2004**

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