

The State Acquisition (Bonds) Act, 1957 (East Pakistan Act)

(ACT NO. XXXVIII OF 1957)

♣An Act to make certain provisions in connection with the issue and management of bonds mentioned in sub-section (2) of section 58 of the [* * *] State Acquisition and Tenancy Act, 1950.

WHEREAS sub-section (2) of section 58 of the [* * *] State Acquisition and Tenancy Act, 1950, provides for payment of compensation either in cash or in bonds or partly in cash and partly in bonds;

[* * *]

AND WHEREAS it is expedient to make certain provisions in connection with the issue and management of such bonds and payment of instalments thereunder and for other matters incidental thereto;

It is hereby enacted as follows:-

Short title, extent and commencement 1. (1) This Act may be called the ¹[* * *] State Acquisition (Bonds) Act, 1957.

(2) It extends to the whole of ²[Bangladesh].

(3) It shall come into force at once.

Definitions 2. In this Act, unless there is anything repugnant in the subject or context,-

(a) "the Act" means the ³[* * *] State Acquisition and Tenancy Act, 1950;

⁴[(b) "Bank" means the Bangladesh Bank established under the Bangladesh Bank Order, 1972 (P. O. No. 127 of 1972);]

(c) "Bond" means a Bond referred to in sub-section (2) of section 58 of the Act;

(d) "management" of bonds includes subdivision, consolidation and renewal of bonds and issue of duplicate bonds;

(e) "prescribed" means prescribed by rules made by the Government under this Act; and

(f) "Public Debt Office" means the Public Debt Office of the ⁵[Bangladesh Bank].

Form and denominations of Bonds and issue and management thereof

3. The work of issue and management of Bonds and payment of instalments thereunder shall be done by the Bank in accordance with such rules, and the form and denominations of the Bonds shall be such, as may be prescribed.

Discharge of Government from liabilities

4. The Government shall be discharged from all liabilities in respect of a Bond when all the instalments due thereon have been paid or when a duplicate, new or renewed Bond has been issued in its place.

Holding of Bonds in name of public office

5. (1) In the case of any public office to which the Government may, by notification in the official Gazette, declare this sub-section to apply, a Bond may be held in the name of the office.

(2) When a Bond is so held, it shall be deemed to be transferred without any or further transfer deed from each holder of the office to the succeeding holder of the office on and from the date on which the latter takes charge of the office.

(3) This section applies as well to an office of which there are two or more joint holders as to an office of which there is a single holder.

Holding of Bonds as trustee or by an Office other than public office

6. (1) No notice of any trust in respect of any Bond shall be receivable by the Government, nor shall the Government be bound by any such notice even though expressly given, nor shall the Government be regarded as trustee in respect of any Bond.

(2) Without prejudice to the provisions of sub-section (1), the Bank may, as an act of grace and without any liability to the Bank or to the Government, record in its books such directions by the holder of a Bond for the payment

of instalments due on a Bond or such other matters relating to a Bond, as the Bank thinks fit.

(3) Bonds 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 Bond 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.

(4) 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 Bond stands, and on surrender of the Bond, 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 Bond in his name described as trustee with or without the specification of the trust, as the case may be, or

(b) issue a Bond to him by the name of his office and make entry in its books describing him as the holder of the Bond by the name of his office, according to the applicant's request:

Provided that-

(i) the request is in conformity with the provisions of sub-section (3); and

(ii) the necessary evidence required by the Public Debt Office in terms of sub-section (9) has been furnished.

(5) The Bond under sub-section (3) 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 the Bond by the name of his office.

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

(7) Where any transfer deed, power of attorney or other document purporting to be executed by a Bond-holder described in the books of the Public Debt Office as 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 executant is entitled under the terms of any trust or document 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 Bond-holder and whether the Bond-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.

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

(9) Before acting on any application made, or on any document purporting to be executed in pursuance of this section 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.

**Recognition
of title to
Bonds**

7. The executors or administrators of a deceased sole holder of a Bond and the holder of a succession certificate issued under Part X of the Succession Act, 1925, shall be the only persons who may be recognised by the Bank as having any title to the Bond:

Provided that nothing in this section shall bar the recognition by the Bank of the manager or the sole surviving male member of a Hindu undivided family governed by the Mitakshara Law as having a title to a Bond, when the Bond appears to the Bank to stand in the name of a deceased member of the family and an application is made by such manager or sole surviving member for recognition of his title and is supported by a certificate issued by the District Magistrate after such inquiry as may in his opinion be necessary to the effect that the deceased belonged to a Hindu undivided family governed by the Mitakshara Law, that the Bond formed part of the joint property of the family, and that the applicant is the managing or sole surviving male member of the family.

Rights of survivors of joint holders and summary procedure in certain cases

8. (1) Notwithstanding anything contained in section 45 of the Contract Act, 1872,-

(a) when a Bond is held by two or more persons jointly and either or any of them dies, the title to the Bond shall vest in the survivor or survivors of those persons; and

(b) when a Bond is payable to two or more persons severally and either or any of them dies, the Bond shall be payable to the survivor or survivors of those persons or to the representatives of the deceased or to any of them:

Provided that nothing contained in this section shall affect any claim which any representative of a deceased person may have against the survivor or survivors under or in respect of any Bond to which this section applies.

(2) (i) Notwithstanding anything contained in section 7, if, within six months of the death of a person who was the holder of a Bond or Bonds the face-value of which does not in the aggregate exceed five thousand rupees, probate of his Will or letters of administration of his estate or a succession certificate issued under Part X of the Succession Act, 1925, is not produced to the Bank, or proof to the satisfaction of the Bank that proceedings have been instituted to obtain one of these is not furnished, the Bank may determine who is the person entitled to the Bond or Bonds