

JOINT SELECT COMMITTEE  
REPORTS OF LEGISLATIVE  
ASSEMBLY - 1927

**The Indian Securities (Amendment) Bill**

List of Reports of Select or Joint Committees  
presented in the Legislative Assembly in 1927.

Serial No.	Short title of the Bill.	Date of presentation.	Remarks.
1.	The Steel Industry (Protection) Bill.	7.2.27.	
2.	The Indian Merchant Shipping (Amendment) Bill.	26.3.27.	
3.	The Gold Standard and Reserve Bank of India Bill.	18.8.27.	Report of the Joint Committee.
4.	The Imperial Bank of India Bill.	18.8.27.	-do-
5.	The Indian Lighthouse Bill.	31.8.27.	-do-
6.	The Indian Securities (Amendment) Bill.	31.8.27.	
7.	The Indian Tariff (Amendment) Bill.	31.8.27.	
8.	The Indian Tariff (Cotton Yarn Amendment) Bill.	31.8.27.	
9.	The Bamboo Paper Industry (Protection) Bill.	31.8.27.	
10.	The Indian Forest Bill.	1.9.27.	
10.	The Indian Criminal Law (Amendment) Bill.	14.9.27.	

GOVERNMENT OF INDIA.  
LEGISLATIVE DEPARTMENT.

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We, the undersigned, Members of the Select Committee to which the Bill to amend the Indian Securities Act, 1920, for certain purposes was referred, have considered the Bill and have now the honour to submit this our Report, with the Bill as amended by us annexed hereto.

*Clause 2.*—We have deleted that portion of sub-clause (2) which directs the addition of a new sub-section (5) to section 10 of the Indian Securities Act, 1920. In our opinion the proposed sub-section merely expresses the law as it stands, and it is undesirable to make a special statement relating to particular cases of what is already a general proposition of law. However, we recommend to the Government of India that it should reconsider the whole question; and if it is found that the Civil Courts issue succession certificates which on the face of them bind Government to grant a duplicate certificate to the legal representative of the deceased holder of a lost certificate, without the inquiry required by section 10, then a Bill should be framed to amend Part X of the Indian Succession Act, 1925, so as to safeguard the procedure laid down in the Indian Securities Act, 1920.

*Clause 3.*—In the case of certain non-terminable loans, the holders regard their securities as perma-

nent pieces of property, and we consider it inequitable to impose now the time-limit for payment of the principal of these securities which is set out in this clause. As regards other kinds of securities, we see no reason for making any provision for limitation for payment of the principal outside the ordinary law. The case as regards interest, however, is on a different footing, and we consider that Government is entitled to refuse payment of interest after the date fixed by the terms of the loan or fixed by notice given under the terms of the loan. We accordingly propose to substitute for clause 3 a clause inserting a new section 18A, providing that Government may in all cases refuse to pay interest after the date on which the payment of the amount due on the securities could have been claimed.

2. The Bill was published in the Gazette of India, dated the 29th January, 1927.

3. Although we have amended this Bill extensively, we do not think that its scope has been so altered that republication is required. The first amendment proposed by us removes what is in our opinion an unnecessary provision; and the second amendment reduces a provision which governs both principal and interest to one which governs interest only. We recommend that the Bill be passed as now amended.

BASIL P. BLACKETT.\*

VICTOR SASSOON.

GANGANAND SINHA.

ABDUL QAIYUM.

VIDYA SAGAR PANDYA.

V. K. ARAVAMUDHA AYANGAR.\*

K. C. NEOGY.

JAMNADAS M. MEHTA.

S. SRINIVASA IYENGAR.\*

M. S. ANEY.\*

B. S. MOONJE.

*The 30th August, 1927.*

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\* Subject to minute of dissent.

MINUTES OF DISSENT.

We, the undersigned, are not in agreement with our colleagues in regard to the changes made in this Bill. We are, however, prepared to accept the Bill as now modified as a partial solution of the difficulties it was intended to meet.

BASIL P. BLACKETT.

V. K. ARAVAMUDHA AYANGAR.

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I was under the impression that at the meeting it was agreed. I may be wrong but that was my impression—that, while interest should not be allowed to accumulate at the option of the holder indefinitely, he should be allowed interest for six years after the principal became payable. And

I am of that opinion still—the new clause does not give effect to it.

S. SRINIVASA IYENGAR.

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I think that the terms of clause 3 in the draft appended to the Report is wider than those that were generally agreed to in the Select Committee regarding interest. If I remember aright some members agreed that all interest should stop only after a certain period on notice being duly given. This was what I understood to be the view of some of us. At any rate this is my view at present.

SIMLA,

M. S. ANEY.

*The 30th August, 1927.*

[Words printed in italics indicate the amendments suggested by the Committee.]

A  
BILL

TO

*Amend the Indian Securities Act, 1920, for certain purposes.*

WHEREAS it is expedient to amend the Indian X of 1920. Securities Act, 1920, for certain purposes hereinafter appearing; It is hereby enacted as follows:—

1. This Act may be called the Indian Securities (Amendment) Act, 192 .  
Short title.

2. (1) In sub-section (1) of section 10 of the Indian Securities Act, Amendment of section 1920 (hereinafter referred X of 1920. 10, Act X of 1920. to as the said Act), after the word "lost" in both places where it occurs the word "stolen" shall be inserted, and after the word "loss" in both places where it occurs the word "theft" shall be inserted; and in sub-section (2) of the same section after the word "loss" the word "theft" shall be inserted.

(2) To the same section after sub-section (3) the following sub-section shall be added, namely:—

"(4) If at any time before the Government becomes discharged under the provisions of this Act from liability in respect of any security the whole of which is alleged to have been lost, stolen or destroyed, such security is found, any order passed in respect thereof under this section shall be cancelled.

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3. After section 18 of the said Act the following Insertion of new section section shall be inserted, 18A in Act X of 1920. namely:—

"18A. Save as otherwise expressly provided in the Discharge in respect of terms of a Government interest. security, no person shall be entitled to claim interest on any such security in respect of any period which has elapsed after the earliest date on which demand could have been made for the payment of the amount due on such security."

GOVERNMENT OF INDIA.  
LEGISLATIVE DEPARTMENT.-

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Report of the Select Committee on the  
Bill to amend the Indian Securities  
Act, 1920, for certain purposes ; with  
the Bill as amended.