

Indian Securities Act, 1920

Section 19 - Procedure on Death of Holder of Securities Not Exceeding an Aggregate Value of Five Thousand Rupees

Summary procedure in certain cases

(1) If within six months of the death of a person who was entitled to a Government security or securities (other than a security payable to bearer) the nominal or face value of which does not in the aggregate exceed five thousand rupees, probate of the will or letters of administration of the estate of such person or a certificate granted under the [See now the Indian Succession Act, 1925 (39 of 1925)] Succession Certificate Act, 1889, (7 of 1889.) is not produced to the prescribed [Subs.By Act 28 of 1937 , s.6 for "officer"] [authority] , such [Subs.By Act 28 of 1937 , s.6 for "officer"] [authority] may, after inquiry in the manner provided in the sub sections (2) and (3) of section 13 , determine who is the person entitled to the security or securities or to administer the estate of the deceased , and may-

(a) in the case of any such security relating to a loan due for repayment , authorise payment of the amount due thereon to such person ; and

(b) in the case of any such security relating to a loan not due for repayment , authorise , in the case of a promissory note, the renewal of such person , or, in the case of stock , the registration of the name of such person in substitution for the name of the deceased; and

(2) Upon the payment or renewal of any promissory note in accordance with sub- section (1), the Government shall be discharged from all liability in respect of the note so paid or renewed ; and any substitution of names made in accordance with clause (b) of sub- section (1) shall, for the purposes of any claim against the government , be deemed to have effected a valid transfer of the stock in respect of which it was made.

(3) Any creditor or claimant against the estate of the deceased may recover his debt or claim out of money paid to any person under sub-section (1) and remaining in his hands unadministered in the same manner and to the same extent as if the said person had obtained letters of administration of the estate of the deceased , and nothing in this section shall affect any claim of an executor or administrator or other representative of the deceased against such person other than a claim to recover amounts lawfully paid by him a in due course of administration of the estate of the deceased.
