

**JOINT/SELECT COMMITTEE
REPORTS OF LEGISLATIVE
ASSEMBLY - 1933**

**The Imperial Bank of India
Bill**

List of Reports of Select or Joint Committees
presented in the Legislative Assembly in 1933.

Serial No.	Short title of the Bill.	Date of presentation.	Remarks.
1.	The Hedjaz Pilgrims (<u>Muallims</u>) Bill.	6.2.33.	
2.	The Workmen's Compensation (Amendment) Bill.	14.2.33.	
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4.	The Auxiliary Force (Amendment) Bill.	14.2.33.	
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12.	The Reserve Bank of India Bill.	20.11.33.	Report of the Joint Committee
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15.	The Indian Tariff (Second Amendment) Bill.	1.12.33.	

LEGISLATIVE ASSEMBLY.

WE, the undersigned, members of the Joint Committee to which the Bill further to amend the Imperial Bank of India 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 thereto.

2. We first met in Simla on the 19th September, 1933, to elect our Chairman and settle some preliminary points of procedure. We then met in New Delhi and sat continuously from the 23rd October until 16th November, 1933.

3. The clauses of the Bill have been renumbered but the original numbering which it is found convenient to retain in the Report has been reproduced in the margin of the Bill as now printed.

4. We deal below with the Bill clause by clause:—

Clause 2.—We have made a verbal alteration here.

Clause 4 (2).—This deals with section 10 (2) of the Imperial Bank of India Act. We see no reason for the retention of sub-section (2) (b) of that section relating to the opening of new branches because it seems to us to be sufficiently covered by provision 3 of the Third Schedule to the Reserve Bank Bill.

We also consider that there should be some provision on the analogy of sub-section (2) (a) giving the Governor General in Council power to terminate the agreement between the Reserve Bank and the Imperial Bank if the latter should not maintain a satisfactory financial position or if there should be a breach of the agreement between the two. We consider, however, that the place to provide for this is in the Reserve Bank Bill and have added an amendment accordingly to clause 43 of that Bill. We therefore recommend the abolition of the whole of section 10 (2) of the Imperial Bank of India Act.

Clause 6A.—We have made two minor amendments—

- (1) consequential on the omission of the Explanation in section 13 of the Act proposed in clause 6 of this Bill, and
- (2) adding to the definition of “co-operative societies” in view of the fact that there are now several Provincial Acts dealing with such societies.

Clause 6B.—We consider it desirable that the Imperial Bank of India should follow the same practice as ordinary companies in submitting its principal register of shareholders to the officer who performs the duty of registration of companies under the Indian Companies Act, 1913.

Clause 7A.—We consider that the title “Governor” should in future be reserved to the Governor and Deputy Governors of the Reserve Bank and that the words “Managing Director”, “Deputy Director” and “Director” should be substituted for the words “Managing Governor”, “Deputy Governor” and “Governor” wherever they appear in the Imperial Bank Act.

Clause 9.—We recommend the following amendments in section 28 of the Act which deals with the composition of the Central Board:—

- (1) With the abolition or reduction of the Directors nominated by Government the Board will be too small to ensure effective representation of all the interests concerned and we recommend that a third Director should be elected by each Local Board to represent it, in addition to the President and Vice-President.
- (2) To ensure the representation of interests which might otherwise be unrepresented, primarily agricultural, the Governor General in Council should retain the right to nominate Directors to a number not exceeding two. This right need not be exercised if these interests secure representation through election.
- (3) In view of the important Government financial interests involved, Government should maintain a liaison officer in place of the Government officer who is at present a Governor of the Bank. This officer should be entitled to attend all Board meetings—though without any right to vote—and to be supplied with all the information which he may desire as to the Bank's affairs. Though we recognise that in future the relationship of the Imperial Bank will be primarily with the Reserve Bank and not with Government, we consider that such an officer is necessary and that he should be appointed by Government and not by the Reserve Bank.

Clause 10A.—We have made some amendments consequential on our amendment in 7A.

We have made a verbal amendment to make section 31 (1) (c) clearer.

Clause 11.—We considered a suggestion that the Imperial Bank of India should be authorised to make direct advances against immoveable property. In support of this suggestion it was pointed out to us that at present the Bank was in the habit of making advances upon the security of immoveable property as collateral and that in

certain cases these advances are allowed to become in effect advances on the security of immoveable property. We consider that it should not be the business of the Imperial Bank to make advances on the security of immoveable property as such a practice might involve locking up its funds in a manner inconsistent with its functions and liabilities as a deposit Bank. We do not therefore accept the suggestion to enlarge the powers of the Bank in this respect. If, however, this principle is accepted then it must be consistently observed not only in the letter but in the spirit. We should consider it an abuse of this principle if the Bank were in any case to make advances which although they might nominally be made within the limits laid down and on approved securities were nevertheless really made not on such justification but in reliance on the possibility of taking charges on immoveable property as collateral. We consider that it should be one of the duties of the Government liaison officer nominated under clause 9 of the Bill to watch whether there is any abuse by the Bank of the powers in the manner described above and to report the matter to the Government of India for such action as may be necessary.

We also considered in this connection a proposal to provide in the Act for the making of advances against promissory notes of Central Co-operative Banks. We did not think it necessary to make any such specific provision as we were assured by the representative of the Imperial Bank who appeared before us that legitimate business of this kind was covered by their present powers to give fixed advances against two-name paper.

Clause 11 (1) (a).—We have made an addition to enable the Bank to hold shares of the Reserve Bank of India which they as a scheduled bank will be permitted to do by clause 4 (3) (c) of the Reserve Bank Bill.

Sub-clause (c).—After discussion with other bankers, the representatives of the Imperial Bank agreed to delete fully paid shares of companies with limited liability from the proposed sub-clause (iii a) and we have amended the sub-clause accordingly with a further consequential amendment in sub-clause (d).

Sub-clause (cc).—We have made drafting amendments to make the present position clearer.

Sub-clause (d).—*Vide* comment on sub-clause (c).

Sub-clause (ee).—In the Reserve Bank Bill we have recommended an amendment to enable advances to be made to finance seasonal agricultural operations for a maximum period of nine months as against six, the period indicated in the original Bill. The Imperial Bank wished to have a similar latitude and we agree that this is desirable.

Sub-clause (hh).—This power has been given at the request of the Imperial Bank of India.

Sub-clause (l).—*Vide* comment on sub-clause (ee).

Sub-clause (1A).—*Vide* comment on sub-clause (ee).

Sub-clause (2).—*Vide* comment on sub-clause (ee). This drafting amendment has been made at the instance of the representatives of the Imperial Bank to make the position clearer.

Clause 11A.—The amendment in this clause has been made at the instance of the representative of the Imperial Bank of India with a view to making regulation 9 more easily workable in practice.

Clause 12.—We do not agree that the Bank should have the power which the Bill in its original form would have given them to decline to register the transfer of fully paid shares. This is not a right which we consider it desirable that they or any limited liability company should possess.

Clause 13.—We have made a verbal amendment.

Clause 16.—We have made a verbal amendment and substituted the word "Director" for "Governor" wherever it appears—*vide* comments on clause 7A.

Clause 17.—We have added a sub-clause to bring the procedure for the requisition of special meetings into accord with that prescribed in the Companies Act by fixing a limit within which the Directors must summon a meeting, failing which the shareholders will be able to convene one themselves. In this clause we have also made consequential alterations necessitated by the amendment proposed in clause 7A.

Clause 19.—We have made amendments consequential on the amendments proposed in clause 7A.

Clause 20.—We have made amendments consequential on our recommendation in clause 9 relating to the nomination of Directors by the Governor General in Council.

Sub-clause (c).—We have made an alteration at the instance of the representatives of the Bank to make it clearer how the limitation on simultaneous membership of the Central or Local Boards should apply.

Clause 21.—Here too we have made an amendment consequential on the retention of nominated Directors suggested in clause 9. We have also made alterations consequential on our recommendation in clause 7A.

Clause 22.—The Central Board of the Imperial Bank has represented to us that it is inconvenient to hold meetings of the Central Board as frequently as once in every three months. We have amended the period to four months accordingly but have provided that there shall be four meetings during the year. We have made other amendments of a drafting nature to make clearer the intention of this section and to carry out the alterations indicated by us in clause 7A.

Clause 23.—We have made provision here for the election of the third member of the Local Boards which we have recommended in clause 9. We have also omitted the proviso as unnecessarily

restrictive. In sub-clause (2) we have also proposed two minor amendments with the object of making the intention clearer.

Clause 26.—We have added this routine power at the request of the representatives of the Imperial Bank. We have also made a verbal amendment consequential on our recommendation in clause 7A.

Clause 30.—We do not consider it reasonable that this should be restricted to British India and have substituted "India" accordingly.

5. The Bill was published in the Gazette of India dated the 16th September, 1933. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

GEORGE SCHUSTER.
 COWASJI JEHANGIR.
 *SANT SINGH.
 MOHD. YAMIN KHAN.
 HOMI MEHTA.
 G. NARAYANASWAMI CHETTY.
 L. HUDSON.
 J. S. HENDERSON.
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 NIHAL SINGH.
 RAM SARAN DAS.
 VIDYA SAGAR PANDYA.
 B. DAS.
 J. B. TAYLOR.

MINUTES OF DISSENT.

We, the undersigned members of the Joint Committee, to which the Imperial Bank of India (Amendment) Bill of 1933 was referred, beg to append the following Minute of Dissent to the Report that we have signed.

As regards clause 9 of the Bill, we are of opinion that in section 28 (i) power should be given to the Local Boards to elect an alternate member in the place of any one of the members of such Local Boards, who may not be able to attend any particular meeting of the Central Board, instead of

the provision of electing an additional member as suggested in the Report.

We further desire that the power of nomination given to the Governor General in Council in section 28 (iv) should be made mandatory, and the word "may" should be changed into "shall".

We also desire that sub-clause (vi) of section 28 should be deleted and power may be reserved to the Central Board to permit the Secretaries of the Local Boards to attend the meetings of the Central Board to give such information that the Central Board may require.

B. K. BASU. -

NRIPENDRANARAYAN SINHA.

H. IMAM.

MAT HURA PRASAD MEHROTRA.

November 17, 1933.

I dissent from the suggestion of the Committee in the final draft that loans should not be advanced on the security of immoveable property. The Committee first decided by the majority of votes that such loans should be advanced but this question was allowed to be re-opened on the 16th November on the representation of the Imperial Bank at a time the draft report was being discussed. The Joint Committee then reversed its own finding. The procedure of re-opening the question was unique in this case, as my suggestion of re-opening the question, that out of the two posts of a Governor and a Deputy Governor one should go to Indian, was ruled out of order.

The recommendation in prohibiting the Imperial Bank from advancing loans on the security of immoveable property has placed the landlords at the mercy of Bohras and other money-lending classes who charge exorbitant rate of interest, sometimes amounting to 30 to 40 per cent. As a result of this exorbitant rate, the land is passing very quickly from landlords to money-lenders, and the price of land has fallen by an amount of 50 per cent.

There are no land mortgage banks functioning in the manner the Central Banking Enquiry Committee recommended. Wherever these mortgage banks exist, they are ineffective.

If the advances on the security of landed property may not be made for a longer period, which I strongly urge, they should at least be made for a period of 6 to 9 months as contemplated in clause 11 (J) (e) of the Bill. Even this short period loan will tend to lower the local rate of interest and will give great relief to the landlords and specially in Bengal and other parts of India where lands are sold in default of payment by a day only.

Now I come to the agriculturists who get their help mainly through Co-operative institutions. The Imperial Bank unfortunately has withdrawn and is daily curtailing its facilities to these institutions. This fact was fully brought out in the

evidence before the Central Banking Enquiry Committee.

The Secretary, Madras Central Bank, Ltd., in his evidence said :—

"The Imperial Bank of India is virtually withdrawing the existing cash credit facilities on the banking of co-operative paper."

The Managing Director, Bombay Provincial Co-operative Bank, said :—

"The Imperial Bank of India's policy in regard to the grant of credits to the co-operative movement has undergone a change for the worse recently." (Page 103).

The Bombay Provincial Banking Committee Report (pages 177-78) states :—

"It was brought to our notice that the Provincial Bank, for the last 12 years had a cash credit of Rs. 8 lacs from the Imperial Bank which had not been of much use but which served as an ultimate fluid reserve. This was curtailed some two years ago and has now been stopped altogether."

The Honorary Secretary of the All-India Co-operative Institutes Association, Bombay, in his memorandum submitted (pages 77-78, Vol. II) as follows :—

"For sometime, the Imperial Bank used to grant credits to Co-operative Banks but of late the policy has changed for the worse and the credits have been reduced, stopped and in some cases only allowed on hard terms.....As things stand at present, therefore, the Imperial Bank is not serviceable to the Co-operative Banks."

The Central Banking Inquiry Committee on the above evidence made the following observations :—

“The policy of the Imperial Bank of India in regard to the grant of financial assistance to some of the provincial and central co-operative banks seems of late to have undergone a definite change ; and it is stated that it shows to-day a much smaller measure of readiness to help them than it used to do in the past. The ultimate result, therefore, of the action of the Imperial Bank will probably be to make money dearer to the agriculturists. We feel that the change of policy to which we have referred is unfortunate, especially at a time when the co-operative movement is growing in vitality and is extending the scope of its usefulness, towards the social

and economic uplift of the rural population and when its financial needs are, therefore, likely to increase rapidly.”

It is evident that the present policy of the Imperial Bank is detrimental to the interests of both the landlords and the agriculturists who form about 85 per cent. of the population of this country. In such important matters verbal assurances have no force. There should be statutory provision for such assistance. I, therefore, recommend that a definite sub-clause (*visi*) be added in Schedule I (*a*) as clause II (*dd*) of the Bill :—

“ Pronotes of the Co-operative Credit Societies registered under Act II of 1912 or by another law for the time being in force in British India relating to co-operative societies.”

There is no justification in giving special facilities to the Imperial Bank, if it refuses to assist agricultural interests in this country.

MATHURA PRASAD MEHROTRA.

We, the undersigned, are of opinion that there should be a clear and definite provision in the Imperial Bank (Amendment) Bill of 1933 to the effect that the Imperial Bank should be authorised to make advances on the mortgage of immoveable properties. The present position of land-owning classes throughout the country owing

to continued economic depression has come to such a pass that it is highly incumbent upon the legislature to enact such a provision to afford them some relief otherwise the disaster which may overtake them will have serious repercussions on the Government of the country.

NRIPENDRANARAYAN SINHA.

SANT SINGH.

HOSSAIN IMAM.

{Words printed in italics indicate the amendments suggested by the Committee.}

(Where the numbering or lettering has been changed the former numbers or letters are indicated in the right hand margin.)

A

BILL

Further to amend the Imperial Bank of India Act, 1920, for certain purposes.

WHEREAS by reason of the constitution of the Reserve Bank of India it is expedient further to amend the Imperial Bank of India Act, 1920, ^{XLVII of 1920.} in order to modify the control of the Governor General in Council over the management of the Bank, to remove certain restrictions on the transaction of business by the Bank, and to provide for an agreement between the Bank and the Reserve Bank of India; It is hereby enacted as follows :—

1. (1) This Act may be called the Imperial Bank of India (Amendment) Act, 1933.
Short title and commencement.

(2) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

2. After clause (i) of section 2 of the Imperial Bank of India Act, 1920 ^{XLVII of 1920.} Amendment of section 2, Act XLVII of 1920. (hereinafter referred to as the said Act), the following clause shall be inserted, namely :—

“(i) ‘secretary’ and ‘deputy secretary’ mean, respectively, a secretary and treasurer and a deputy secretary and treasurer of the Bank.”

3. Section 9 of the said Act is hereby repealed.
Repeal of section 9, Act XLVII of 1920.

4. (1) In sub-section (1) of section 10 of the said Act,—
Amendment of section 10, Act XLVII of 1920.

(a) for the words “the Secretary of State for India in Council” the words “the Reserve Bank of India” shall be substituted ;

(b) in clause (i), the words “to act as banker for, and” shall be omitted, and after the word “securities” the words “as agent for the Reserve Bank of India” shall be inserted ; and

(c) in clause (ii), for the words “the Government” the words “the Reserve Bank of India” shall be substituted.

(2) * Sub-section (2) of the same section * * * shall be omitted.

5. In clause (a) of section 12 of the said Act, Amendment of section 12, Act XLVII of 1920. after the words “at such places” the words “, whether in India or elsewhere,” shall be inserted.

6. In sub-section (1) of section 13 of the said Act, Amendment of section 13, Act XLVII of 1920. after the words “in India” the words “or elsewhere” shall be inserted, and the Explanation after sub-section (2) shall be omitted.

7. In section 13A of the said Act, the words **6A.**
Amendment of section "as defined in section 13"
 13A, Act XLVII of 1920. shall be omitted, and after
 the words and figures "Co-operative Societies Act,
 1912," the words "or any other law for the time
 being in force in British India relating to
 co-operative societies" shall be inserted.

8. To section 20 of the said Act the following **6B.**
Amendment of section sub-section shall be added,
 20, Act XLVII of 1920. namely :—

"(3) A copy of the principal register of share-
 holders shall be compiled within 30 days
 after the date of the first ordinary general
 meeting in each year and shall be filed
 forthwith with the officer performing the
 duty of registration of companies under
 the Indian Companies Act, 1913."

VII of 1920.

9. In section 23 of the said Act, the words **7.**
Amendment of section "with the previous sanc-
 23, Act XLVII of 1920. tion of the Governor
 General in Council," and
 the words "The Bank may also, subject to the
 provisions of this Act as to the business to be
 transacted there, establish an office in London."
 shall be omitted.

10. In section 24 of the said Act, for the word **7A.**
Amendment of section "Governors" the word
 24, Act XLVII of 1920. "Directors" shall be
 substituted.

11. In section 25 of the said Act, the words **8.**
Amendment of section "with the previous sanc-
 25, Act XLVII of 1920. tion of the Governor
 General in Council," shall
 be omitted.

12. For section 28 of the said Act the following **9.**
Substitution of new sec- section shall be substitut-
 tion for section 28, Act ed, namely :—
 XLVII of 1920.

"28. (1) The Central Board shall consist of
 the following *Directors,*
 Constitution of Central Board. namely :—

- (i) the presidents and vice-presidents of the
 Local Boards established by this Act ;
- (ii) one person to be elected from amongst
 themselves by the members of each Local
 Board established by this Act ;
- (iii) a Managing Director who shall be ap-
 pointed by the Central Board for a period
 not exceeding five years on such terms as
 the Central Board may direct, and may
 be continued in his appointment by the
 Central Board for such further periods
 not exceeding five years in each case as
 the Central Board thinks fit ;
- (iv) such number of persons not exceeding
 two as may be nominated by the Governor
 General in Council. Such persons shall
 hold office for one year but may be re-
 nominated ;
- (v) a Deputy Managing Director who shall
 be appointed by the Central Board ;
- (vi) the secretaries of the Local Boards
 established by this Act ; and
- (vii) if any Local Board is hereafter es-
 tablished under this Act, such number of
 persons to represent it as the Central
 Board may prescribe.

(2) The *Directors* specified in clauses (v) and
 (vi) of sub-section (1) shall be at liberty to attend
 all meetings of the Central Board and to take part
 in its deliberations, but shall not be entitled to
 vote on any question arising at any meeting :

Provided that the Deputy Managing Director shall be entitled to vote in the absence of the Managing Director.

(3) *The Governor General in Council shall nominate an officer of Government to attend the meetings of the Central Board, and such officer shall be entitled to attend all meetings of the Central Board and to take part in its deliberations but shall not be entitled to vote on any question arising at any meeting.*"

13. Section 30 of the said Act is hereby repealed. 10.
 Repeal of section 30,
 Act XLVII of 1920.

14. In section 31 of the said Act,— 10A.
 Amendment of section
 31, Act XLVII of 1920.

(a) in sub-section (1),—

(i) in clause (b), for the word "Governors", wherever it occurs; the word "Directors" shall be substituted, and

(ii) in clause (c), for the words "the half-yearly balance-sheet" the words "the annual and half-yearly balance-sheets" shall be substituted; and

(b) in clauses (b) and (d) of sub-section (2), for the word "Governors" the word "Directors" shall be substituted.

15. (1) In Part I of Schedule I to the said Act, 11.
 Amendment of Sche. the following amend-
 dule I, Act XLVII of ments shall be made,
 1920. namely :—

(a) in sub-clause (i) of clause (a), after the words "Governor General in Council", the word "and" shall be omitted, and after the word "Ceylon" the words "and shares of the Reserve Bank of India" shall be added;

(b) in sub-clause (iii) of the same clause*, after the words "a district board" the words "or a municipal board or committee or, with the sanction of the Governor General in Council, debentures or other securities for money issued under the authority of a Prince or Chief of any State in India" shall be inserted;

(c) after sub-clause (iii) of the same clause the following sub-clause shall be inserted, namely :—

"(iiia) subject to such directions as may be issued by the Central Board, * * * debentures of companies with limited liability whether registered in India or elsewhere;"

(d) after sub-clause (iv) of the same clause the following clause shall be inserted, namely:— (cc).

"(iva) goods which are hypothecated to the Bank as security for such advances, loans or credits, if so authorised by special directions of the Central Board;"

(e) in sub-clause (vi) of the same clause, the words " * * * and debentures * * *" shall be omitted, and for the words "if so authorised by any general or special directions of the Central Board" the words "subject to such directions as may be issued by the Central Board" shall be substituted; (d).

(f) in clause (b), for the words "assigned to" the words "pledged, hypothecated, assigned or transferred to" shall be substituted, and for the words "or (e).

assignment" the words "pledge, hypothecation, assignment or transfer" shall be substituted;

- (g) in clause (c), for the words "six months" (ee) the words "nine month in the case of advances or loans relating to the financing of seasonal agricultural operations or six months in other cases" shall be substituted;
- (h) in clause (d), the words beginning with the words "payable in India, or in Ceylon" and ending with the words "may approve in that behalf" shall be omitted;
- (i) in clause (f), the words "made payable (e) in India, or in Ceylon," shall be omitted;
- (j) in clause (j), after the word "claims" the (h) following shall be added, namely:—

"and the acquisition and holding of, and generally the dealing with, any right, title or interest in any property, moveable or immovable, which may be the Bank's security for any loan or advance or may be connected with any such security";

- (k) to clause (k) the following words shall be (hh) added, namely:—

"and the entering into of contracts of indemnity, suretyship or guarantee with specific security or otherwise";

- (l) in clause (l), for the words "the acting (i) as administrator, executor or trustee for the purpose of winding up estates" the words "the administration of estates for any purpose whether as an executor, trustee or otherwise" shall be substituted;
- (m) in sub-clause (iii) of clause (l), the words (j) "at the risk of the principal" shall be omitted;
- (n) in clause (m), the words beginning with (k) the words "for the use of" and ending with the words "personal needs" shall be omitted;
- (o) in clause (n), the words "for the purpose (l) of meeting such bills or letters of credit," shall be omitted, and for the words "six months" the words "nine months in the case of bills relating to the financing of seasonal agricultural operations or six months in other cases" shall be substituted;
- (p) in clause (o), the words "in India" shall (m) be omitted;
- (q) for clause (p) the following clause shall be (n) substituted, namely:—
- "(p) the subsidizing from time to time of the pension funds of the Presidency Banks; and"; and
- (r) in clause (q), after the words "kinds of (o) business" the words "including foreign exchange business," shall be inserted.

(2) In sub-clause (a) of clause (1) of Part II (1A) of the same Schedule, after the words "six months" the words "except as provided in clause (c) and clause (n) of Part I" shall be inserted.

(3) In clause (4) of Part II of the same Schedule, (2).
after the words "negotiable security" the following
brackets and words shall be inserted,
namely :—

" (not being a security in which a trustee may
invest trust money under section 20 of
the Indian Trusts Act, 1882) ", II of 1882.

and for the words " six months ", in both places
where they occur, the following words shall be
substituted, namely :—

" nine months if a bill drawn for the purpose
of financing seasonal agricultural opera-
tions and six months in other cases ".

16. In regulation 9 in Schedule II to the 11A.
Amendment of regula- said Act (which Schedule
tion 9, Schedule II, Act s hereinafter referred to
XLVII of 1920. as the said Schedule), for
the words " Central Board " the word " Bank "
shall be substituted.

17. In regulation 10 in * * * 12.
Amendment of regula- the said Schedule, *
tion 10, Schedule II, Act * * * after the
XLVII of 1920. words " has a lien "
the following shall be inserted, namely :—

" or any transfer of shares to any person who
is a minor or has been found by a
Court of competent jurisdiction to be of
unsound mind or to or in the name of
any firm ".

18. For regulation 11 in the said Schedule, the 13.
Substitution of new re- following regulation shall
gulation for regulation 11, be substituted, namely :—
Act XLVII of 1920.

" 11. The executors or administrators of a
Deceased shareholders. deceased *sole*
holder of a share,
the holder of a succession certificate
issued under Part X of the Indian Suc- **XXXIX of**
cession Act, 1925, in respect of the share, **1925.**
and a person in whose favour a valid
instrument of transfer of the share was
executed by the deceased holder during
his lifetime, shall be the only persons
who may be recognised by the Bank as
having any title to the share. In the
case of a share registered in the names of
two or more holders, the survivors or
survivor and, on the death of the last
survivor, his executors or administra-
tors or any person who is the holder
of a succession certificate in respect of
such survivor's interests in the share,
and a person in whose favour a valid
instrument of transfer of the share was
executed by such survivor during his
lifetime, shall be the only persons who
may be recognised by the Bank as having
any title to the share."

19. In regulation 12 in the said Schedule,— 14,
Amendment of regula-
tion 12, Schedule II,
Act XLVII of 1920.

- (a) after the word " shareholder " where it
first occurs, the words " or in conse-
quence of a transfer by a deceased share-
holder during his lifetime " shall be
inserted ;
- (b) after the words " have the right " the
words " , subject to the provisions of
regulation 10, " shall be inserted ; and
- (c) the words beginning with " but the Bank
shall " and ending with " before the death
or insolvency " shall be omitted.

20. In regulation 19 of the said Schedule, the **15.**
 Amendment of regula- words "and with the
 tion 19, Schedule II, Act previous sanction of the
 XLVII of 1920. Governor General in
 Council" shall be omitted, and after the words
 "increase or" the words "with the previous
 sanction of the Governor General in Council,"
 shall be inserted.

21. In regulation 23 in the said Schedule, in sub- **16.**
 Amendment of regula- regulation (1), for the
 tion 23, Schedule II, Act words "statement of the
 XLVII of 1920. affairs" the words
 "balance-sheet" shall be substituted, and in sub-
 regulation (2), for the words "a Managing
 Governor" the words "the Managing Director
 or Deputy Managing Director" shall be substi-
 tuted.

22. For regulation 24 in the said Schedule the **17.**
 Substitution of new re- following regulation shall
 gulation for regulation 24. be substituted, namely :—
 Schedule II, Act XLVII
 of 1920.

"24. (1) The Central Board shall convene a
 Special meetings. special meeting
 on the requisition of any three Directors or of not
 less than one hundred shareholders
 holding shares *whether fully paid up or otherwise* of the aggregate amount
 of not less than five hundred thousand
 rupees, upon which all calls or other
 sums due have been paid, if such requisition is signed by the requisitionists and
 addressed to the Managing Director
 or Deputy Managing Director and
 contains a statement of the object of
 the proposed meeting.

(2) The requisition may consist of several
 documents in like form, each signed by
 one or more of the requisitionists.

(3) Sixty days' previous notice of any such
 meeting shall be given by the Central
 Board under the hand of not less than
 three Directors, and such notice shall
 state the purpose for which the meeting
 is convened and the time and place of
 such meeting, and shall be advertised
 in the Gazette of India and in not less
 than three daily newspapers, of which
 one shall be a newspaper published in the
 vernacular :

Provided that not less than three months'
 previous notice shall be thus given of any
 special meeting held for the purpose of
 increasing or reducing the capital of the
 Bank.

(4) *The place of such meeting shall be the place
 where the head office of the Bank is situated
 at the time of the meeting.*

(5) *If the Central Board does not proceed
 within 21 days from the date of deposit of
 the requisition referred to in sub-sections
 (1) and (2) to cause a meeting to be called,
 the requisitionists, or a majority of them
 in value, may themselves call the meeting,
 but in either case any meeting so called
 shall be held within three months from the
 date of deposit of the requisition."*

23. In sub-regulation (2) of regulation 25 in **17A.**
 Amendment of regula- the said Schedule, for the
 tion 25, Schedule II, Act word "Governors" the
 XLVII of 1920. word "Directors" shall
 be substituted.

24. In sub-regulation (1) of regulation 26 in the said Schedule, for the word "Governor" the word "Director" shall be substituted.

25. In regulation 36 in the said Schedule, after the words "power of authority," the following words shall be inserted, namely :—

"or, in the case of a power of attorney previously deposited and registered with any local head office, a certificate of the secretary of such local head office as to such deposit and registration,".

26. In regulation 38 in the said Schedule, for the words "Governors, Managing Governors" the words "Directors, the Managing Director or Deputy Managing Director" shall be substituted.

27. In the heading to regulation 39 in the said Schedule, for the word "Governors" the word "Directors" shall be substituted, and in that regulation

(a) in sub-regulation (1), for the word "Governor" the word "Director" shall be substituted, and in the proviso the words "or appointed" shall be omitted ;

(b) in sub-regulation (2), for the word "Governor" the word "Director" shall be substituted, and in the proviso, for the words, brackets and figures "Governor under the provision of clause (iii)" the words, brackets and figures "Director under the provision of clause (iv)" shall be substituted, and for the words "and the office of a Governor" the words "and the office of a Director" shall be substituted ; and

(c) in sub-regulation (3), for the words "a Local Board or of the Central Board and a Local Board" the words "of the same Local Board" shall be substituted.

28. In the heading to regulation 40 in the said Schedule, for the word "Governors" the word "Directors" shall be substituted, and in that regulation, for the word "Governor", where it first occurs, the word "Director" shall be substituted, and for the brackets and words "(other than a Governor nominated or appointed by the Governor General in Council)" the brackets and words "(other than a Director nominated by the Governor General in Council)" shall be substituted.

29. In regulation 42 in the said Schedule, for the words "a Managing Governor", wherever they occur, the words "the Managing Director or Deputy Managing

Director” shall be substituted and for the word *Governors*”, in both places where it occurs, the word *Directors*” shall be substituted; and in sub-regulation (1), for the word *three*” the word *four*” shall be substituted, and for the words *at every local head office established by this Act*” the following shall be substituted, namely:—

“at each of the local head offices established at Calcutta, Bombay and Madras:

Provided that not less than four meetings shall be convened by the Managing Director or Deputy Managing Director in every year.”

30. (1) For sub-regulation (1) of regulation 44 ^{23.}
 Amendment of regulation 44, Schedule II, Act XLVII of 1920. in the said Schedule the following sub-regulation shall be substituted, namely:—

“(1) At the first meeting of the Local Board which takes place after the first meeting of the Central Board in each year, the Local Board shall elect from among its members a president and a vice-president and the elected Director referred to in clause (ii) of sub-section (1) of section 23. They shall continue in their respective offices until the first meeting of the Local Board after the first meeting of the Central Board in the following year, and, whenever the office of president or vice-president or of such elected Director becomes vacant, the Local Board shall at its next meeting elect a successor who shall hold office for the unexpired portion of the period for which his predecessor was appointed:

* * * * *

(2) In sub-regulation (2) of the same regulation, after the words *Local Board*” the words *at all general or special meetings held in the town where the Local Board is established*” shall be inserted, and in the proviso, for the word *themselves*” the words *the members of the Local Board present*” shall be substituted.

31. In regulations 47 and 48 in the said ^{23A.}
 Amendment of regulations 47 and 48, Schedule II, Act XLVII of 1920. Schedule. for the words *Governors*” and *Governor*”, wherever they occur, the words *Directors*” and *Director*” shall be substituted, respectively.

32. In regulation 49 in the said Schedule,— ^{24.}
 Amendment of regulation 49, Schedule II, Act XLVII of 1920.

(a) in sub-regulation (1), for the word *Governors*” the word *Directors*” shall be substituted, and for the words *a Managing Governor*” the words *the Managing Director or Deputy Managing Director*” shall be substituted; and

(b) in sub-regulation (5), after the word *secretary*” the words *or deputy secretary*” shall be inserted.

33. In clause (b) of regulation 50 in the said Schedule, after the word "servants" the following shall be inserted, namely :—

Amendment of regulation 50, Schedule II, Act XLVII of 1920.

regulation 50 in the said Schedule, after the word "servants" the following shall be inserted, namely :—

"and to grant gratuities or other financial assistance, either temporary or permanent, to widows, children or other dependants of deceased officers or servants".

34. In regulation 51 in the said Schedule, for the word "Governors" the words "Director and Deputy Managing Director", and for the word "officers" the word "employees" shall be substituted, and after the words "business of the Bank;" the word "and" shall be omitted and to the regulation as so amended the following words shall be added, namely :—

Amendment of regulation 51, Schedule II, Act XLVII of 1920.

the word "Governors" the words "Director and Deputy Managing Director", and for the word "officers" the word "employees" shall be substituted, and after the words "business of the Bank;" the word "and" shall be omitted and to the regulation as so amended the following words shall be added, namely :—

"and to execute proxies to vote at meetings on behalf of shareholders from whom the Bank holds general powers of attorney".

35. In regulation 52 of the said Schedule, for the word "Governor" the word "Director" shall be substituted.

Amendment of regulation 52, Schedule II, Act XLVII of 1920.

of the said Schedule, for the word "Governor" the word "Director" shall be substituted.

36. In regulation 54 in the said Schedule, in sub-regulation (2), for the word "Governors" the word "Directors" shall be substituted, and for sub-regulation (3) the following sub-regulation shall be substituted, namely :—

Amendment of regulation 54, Schedule II, Act XLVII of 1920.

in the said Schedule, in sub-regulation (2), for the word "Governors" the word "Directors" shall be substituted, and for sub-regulation (3) the following sub-regulation shall be substituted, namely :—

"(3) The statement of the balance shall contain the particulars and shall be in the form required by section 132 of the Indian Companies Act, 1913, and the provisions of that section and of section 136 of the same Act, shall apply to the Bank in like manner as they apply to a banking company." VII of 1913.

37. In the said Schedule,—

Amendment of regulation 58, Schedule II, Act XLVII of 1920.

regulation 58 in the said Schedule,—

(a) in sub-regulation (1), for the word "Governor" the word "Director" shall be substituted; and

(b) in the proviso to sub-regulation (2), for the words "a special meeting shall be called for the purpose of supplying the same" the words "the vacancy may be filled by the Central Board" shall be substituted.

38. In sub-regulation (1) of regulation 60 in the said Schedule, for the words "any Governor" the words "any Director" shall be substituted.

Amendment of regulation 60, Schedule II, Act XLVII of 1920.

the said Schedule, for the words "any Governor" the words "any Director" shall be substituted.

39. After regulation 60 in the said Schedule the following regulation shall be inserted, namely :—

Insertion of new regulation 60A in Schedule II, Act XLVII of 1920.

the said Schedule the following regulation shall be inserted, namely :—

"60A. Notwithstanding anything contained in this Act or in section 271 of the Indian Companies Act, 1913, if the shareholders of the Bank pass a special resolution that the Bank be wound up VII of 1913.

voluntarily under the provisions of the Indian Companies Act, 1913, the Bank shall be wound up in accordance with the provisions of that Act with regard to the voluntary winding up of a company :

Provided that, for the purposes of this section, no such special resolution shall be deemed to have been passed unless at least one-third of the shareholders holding at least one-half of the paid-up capital of the Bank for the time being be present in person or by proxy and a majority poll by open voting in favour of the said resolution and such resolution is thereafter confirmed by a majority of the shareholders at a subsequent special meeting held at an interval of not less than two months or more than three months from the date of the meeting at which the resolution was first passed."

40. For regulation 62 in the said Schedule the following regulation shall be substituted, namely :—
 Substitution of new regulation for regulation 62, Schedule II, Act XLVII of 1920.

" 62. A shareholder who has no registered address in * India and has not supplied to the Bank an address for the giving of notices to him shall not be entitled to any notice, notwithstanding anything contained in this Act."

41. Notwithstanding any amendment made in the said Act by this Act in regard to the manner in which the Central Board shall be constituted, the Central Board existing at the commencement of this Act shall, until it has been re-established in accordance with the said Act as amended by this Act, continue to transact business and shall have all the powers of the Central Board under the said Act as so amended.

GOVERNMENT OF INDIA.
LEGISLATIVE ASSEMBLY
DEPARTMENT.

Report of the Joint Committee on the
Bill further to amend the Imperial
Bank of India Act, 1920, for certain
purposes, with the Bill as amended.