

# ACT NO. I OF 1907.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 15th  
February, 1907.)

An Act further to amend the Presidency  
Banks Act, 1876.

of 1876. WHEREAS it is expedient further to amend the  
Presidency Banks Act, 1876; It is hereby en-  
acted as follows:—

1. This Act may be called the Presidency Banks Short title.  
(Amendment) Act, 1907.

of 1876. 2. In section 10 of the Presidency Banks Act, Amendment  
1876, the words "to thirty millions of rupees", "to of sections 10  
twelve millions of rupees" and "to twenty millions and 14, Act  
of rupees", and in section 14 of the said Act the pro- XI, 1876.  
viso, shall be repealed.

3. In section 36 of the said Act the following Amendments  
amendments shall be made, namely:— of section 36  
of same Act.

(i) in paragraph (a), to clause (1) the following  
shall be added, namely:—

"and, in the case of the Bank of Madras,  
securities of the Government of  
Ceylon";

(ii) in the same paragraph, to clause (3) the  
following shall be added, namely:—

"or such securities issued by State-  
aided railways as the Governor  
General in Council may from time  
to time prescribe";

(iii) in the same paragraph, in clause (4), after  
the words "any municipal body" the  
words "or any district board" shall be  
inserted;

(iv) in

(iv) in the same paragraph, to clause (6) the following shall be added, namely :—

“ and joint and several promissory notes of two or more persons or firms unconnected with each other in general partnership ”;

(v) after paragraph (b) the following shall be inserted, namely :—

“ (bb) the advancing and lending money to Courts of Wards upon the security of estates in their charge or under their superintendence and the realization of such advances or loans and any interest due thereon, provided that no such advance or loan shall be made without the previous sanction of the Local Government concerned and that the period for which any such advance or loan is made shall not exceed six months ”; and

(vi) at the end of paragraph (d) the following shall be added, namely :—

“ Provided that—

(1) the power of investing in the securities of the Government of Ceylon shall extend only to the Bank of Madras, and

(2) the total of the assets held at any time by the Bank of Madras either upon the security of, or invested in, securities of the Government of Ceylon in accordance with the authority conferred by paragraph (a), clause (1), or this paragraph, shall not exceed the sum of the deposits held and balances of cash accounts at credit at the Ceylon Branch of the said Bank of Madras.”

4. In section 37 of the said Act the following amendments shall be made, namely :—

Amendments  
of section 37  
of same Act.

- (i) in clause (a), for the words "three months" the words "six months" shall be substituted;
- (ii) to clause (c) the following words shall be prefixed, namely :—  
"save in the case of the estates specified in section 36, paragraph (bb)";
- (iii) in clause (f), for the words "three months", each time they occur, the words "six months" shall be substituted, and the proviso shall be repealed; and
- (iv) in the last paragraph, for the words "from overdrawing" the words "to overdraw," and for the words "sums not exceeding at any one time two thousand rupees in the whole," the words "such sums not exceeding at one time ten thousand rupees in the whole as may be prescribed for the time being by the bye-laws made under this Act" shall be substituted.

5. After section 42 of the said Act the following section shall be inserted, namely :—

Addition of  
new section  
42A to same  
Act.  
Power of  
Bank to take  
over business  
of certain  
other Banks  
and for that  
purpose to  
increase its  
capital.

"42A. (1) With the sanction of the Governor General in Council, the directors may at any time enter into negotiations for and purchase and take over the business, including the capital, assets and liabilities, of any banking company carrying on business in India of which the capital is divided into shares, and may pay the consideration for such purchase either in cash or by the allotment of shares in the capital stock of the Bank, or partly in one and partly in the other of these ways, and may, for the purpose of any such allotment of shares, increase the capital stock of the Bank by the issue of such number of shares as may be determined on by them :

Provided that the directors shall not make any increase of the capital stock of the Bank under this section unless the proprietors and shareholders have  
passed

passed a special resolution in accordance with the provisions of section 13 sanctioning such increase.

(2) The persons to whom such new shares are allotted shall be proprietors of the Bank, and be in all respects in the same position as if they had respectively subscribed and paid for the shares so allotted to them :

Provided always that the business so purchased shall after the purchase be carried on by the Bank subject to the several restrictions contained in this Act.

*Explanation.*—For the purposes of this section ‘banking company’ means any company formed for the purpose of carrying on the business of banking and registered under the Indian Companies Act, 1882, or the law relating to Companies for the time being in force in British India.” VI of 188

Addition to  
section 63 (a)  
of same Act.

6. In section 63 of the said Act, to clause (a) the words “and the extent of the sums to which accounts may be overdrawn without security under the provisions of the last paragraph of section 37” shall be added.