

ACT No. III OF 1934.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 6th March, 1934.)

An Act 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, 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, 1934. 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 (hereinafter referred to as the said Act), the following clause shall be inserted, namely:— Amendment of section 2, Act XLVII of 1920.

“(ii) ‘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 Section 9 of the said Act is hereby repealed.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,—

(a) for the words “the Secretary of State for India in Council” the words “the Reserve Bank of India” shall be substituted; Amendment of section 10, Act XLVII of 1920.

(b) in

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Imperial Bank of India (Amendment.) [ACT III

(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.

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

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

Amendment of section 13A, Act XLVII of 1920. 7. In section 13A of the said Act, the words "as defined in section 13" 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.

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

"(3) A copy of the principal register of shareholders 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 1913.

Amendment of section 23, Act XLVII of 1920. 9. In section 23 of the said Act, the words " , with the previous sanction 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.

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

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

12. For

or 1934.] *Imperial Bank of India (Amendment.)*

12. For section 28 of the said Act the following section shall be substituted, namely:—

Substitution of new section for section 28, Act XLVII of 1920.

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

Constitution of Central Board.

- (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 appointed 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 and not being officers of the Government 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 established 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 subsection (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.

Repeal of section 30, Act XLVII of 1920.

14. In

Imperial Bank of India (Amendment.) [ACT III

Amendment of
section 31, Act
XLVII of 1920.

14. In section 31 of the said Act,—

(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.

Amendment of
Schedule I, Act
XLVII of 1920.

15. (1) In Part I of Schedule I to the said Act, the following amendments shall be made, 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 sub-clause shall be inserted, namely:—

"(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;

(f) in

OF 1934.] *Imperial Bank of India (Amendment.)*

- (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 assignment" the words "pledge, hypothecation, assignment or transfer" shall be substituted;
- (g) in clause (c), for the words "six months" the words "nine months 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 in India, or in Ceylon," shall be omitted;
- (j) in clause (j), after the word "claims" the 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 immoveable, 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 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 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 "at the risk of the principal" shall be omitted;
- (n) in clause (m), the words beginning with the words "for the use of" and ending with the words "personal needs" shall be omitted;

(o) in

(o) in clause (n), the words “, for the purpose 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 be omitted;

(q) for clause (p) the following clause shall be substituted, namely:—

“(p) the subsidizing from time to time of the pension funds of the Presidency Banks; and”;

(r) in clause (q), after the words “kinds of business” the words “, including foreign exchange business,” shall be inserted.

(2) In sub-clause (a) of clause (1) of Part II 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, 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 operations and six months in other cases”.

Amendment of regulation 9, Schedule II, Act XLVII of 1920.

16. In regulation 9 in Schedule II to the said Act (which Schedule is hereinafter referred to as the said Schedule), for the words “Central Board” the word “Bank” shall be substituted.

Amendment of regulation 10, Schedule II, Act XLVII of 1920.

17. In regulation 10 in the said Schedule, after the 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

of 1934.] *Imperial Bank of India (Amendment.)*

18. For regulation 11 in the said Schedule, the following regulation shall be substituted, namely:—

Substitution of new regulation for regulation 11, Act XLVII of 1920.

Deceased shareholders.

XXXIX of 1925.

“11. The executors or administrators of a deceased sole holder of a share, the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925, in respect of the share, 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 administrators 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,—

Amendment of regulation 12, Schedule II, Act XLVII of 1920.

- (a) after the word “shareholder”, where it first occurs, the words “or in consequence of a transfer by a deceased shareholder 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 words “and with the previous sanction of the 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.

Amendment of regulation 19, Schedule II, Act XLVII of 1920.

21. In regulation 23 in the said Schedule, in sub-regulation (1), for the words “statement of the 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 substituted.

Amendment of regulation 23, Schedule II, Act XLVII of 1920.

22. For

Substitution of
new regulation
for regulation
24, Schedule
II, Act XLVII
of 1920.

22. For regulation 24 in the said Schedule the following regulation shall be substituted, namely:—

Special
meetings.

- “24. (1) The Central Board shall convene a 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 a 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.”

Amendment of
regulation 25,
Schedule II,
Act XLVII of
1920.

23. In sub-regulation (2) of regulation 25 in the said Schedule, for the word “Governors” the word “Directors” shall be substituted.

24. In

of 1934.] *Imperial Bank of India (Amendment.)*

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

Amendment of regulation 26, Schedule II, Act XLVII of 1920.

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

Amendment of regulation 36, Schedule II, Act XLVII of 1920.

"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.

Amendment of regulation 38, Schedule II, Act XLVII of 1920.

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,—

Amendment of regulation 39, Schedule II, Act XLVII of 1920.

(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.

Amendment of regulation 40, Schedule II, Act XLVII of 1920.

29. In

Amendment of
regulation 42,
Schedule II,
Act XLVII of
1920.

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."

Amendment of
regulation 44,
Schedule II,
Act XLVII of
1920.

30. (1) For sub-regulation (1) of regulation 44 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 28. 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.

Amendment of
regulations 46,
47 and 48,
Schedule II,
Act XLVII of
1920.

31. In regulations 46, 47 and 48 in the said Schedule, for the words "Governors" and "Governor", wherever they occur, the words "Directors" and "Director" shall be substituted, respectively.

82. In

of 1934.] *Imperial Bank of India (Amendment.)*

32. In regulation 49 in the said Schedule,—

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.

"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.

"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.

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.

"(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."

37. In regulation 58 in the said Schedule,—

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

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

(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

Imperial Bank of India (Amendment). [ACT III OF 1934.]

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

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

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

39. After regulation 60 in 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 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: VII of 1913.
VII of 1913.

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."

Substitution of new regulation for regulation 62, Schedule II, Act XLVII of 1920.

40. For regulation 62 in the said Schedule the following regulation shall be substituted, namely:—

Absence of registered address.

"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."

Temporary saving of existing Central Board.

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.