

CONTENTS

Act No.	Short Title	Page No.
1.	The Regional Rural Banks (Amendment) Act, 1987	1
2.	The Chandigarh (Delegation of Powers) Act, 1987	7
3.	The Commission of Sati (Prevention) Act, 1987	9
4.	The Direct Tax Laws (Amendment) Act, 1987	16
5.	The Parsi Marriage and Divorce (Amendment) Act, 1988	154
6.	The Appropriation (Vote on Account) Act, 1988	159
7.	The Appropriation Act, 1988	165
8.	The Punjab Appropriation (Vote on Account) Act, 1988	169
9.	The Punjab Appropriation Act, 1988	172
10.	The Delhi Administration (Amendment) Act, 1988	175
11.	The Delhi Municipal Corporation (Amendment) Act, 1988	176
12.	The Major Port Trusts (Amendment) Act, 1988	177
13.	The Tamil Nadu Appropriation (Vote on Account) Act, 1988	179
14.	The Tamil Nadu Appropriation Act, 1988	183
15.	The Appropriation (Railways) Act, 1988	187
16.	The Appropriation (Railways) No. 2 Act, 1988	189
17.	The Appropriation (Railways) No. 3 Act, 1988	191
18.	The Authorised Translations (Central Laws) Amendment Act, 1988	193
19.	The Repealing and Amending Act, 1988	194
20.	The High Court and Supreme Court Judges (Conditions of Service) Amendment Act, 1988	205
21.	The Tamil Nadu State Legislature (Delegation of Powers) Act, 1988	209

Act No.	Short Title	Page No.
22.	The Tamil Nadu Agricultural Service Co-operative Societies (Appointment of Special Officers) Amendment Act, 1988	210
23.	The Tamil Nadu Co-operative Societies (Appointment of Special Officers) Amendment Act, 1988	211
24.	The Illegal Migrants (Determination by Tribunals) Amendment Act, 1988	212
25.	The Appropriation (No. 2) Act, 1988	217
26.	The Finance Act, 1988	223
27.	The Customs (Amendment) Act, 1988	341
28.	The Appropriation (No. 3) Act, 1988	342
29.	The Customs and Central Excises Laws (Amendment) Act, 1988	344
30.	The Rajghat Samadhi (Amendment) Act, 1988	355
31.	The Companies (Amendment) Act, 1988	356
32.	The Code of Criminal Procedure (Amendment) Act, 1988	395
33.	The Employees' Provident Funds and Miscellaneous Provisions (Amendment) Act, 1988	397
34.	The Special Protection Group Act, 1988	418
35.	The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Amendment Act, 1988	422
36.	The Food Corporations (Amendment) Act, 1988	423
37.	The Punjab Appropriation (No. 2) Act, 1988	424
38.	The Alcock Ashdown Company Limited (Acquisition of Undertakings) Amendment Act, 1988	427
39.	The Tamil Nadu Appropriation (No. 2) Act, 1988	430
40.	The National Waterway (Sadiya-Dhubri Stretch of the Brahmaputra River) Act, 1988	434
41.	The Religious Institutions (Prevention of Misuse) Act, 1988	436
42.	The Arms (Amendment) Act, 1988	439
43.	The National Security (Amendment) Act, 1988	441

Act No.	Short Title	Page No.
44.	The Bharat Petroleum Corporation Limited (Determination of Conditions of Service of Employees) Act, 1988	442
45.	The Benami Transactions (Prohibition) Act, 1988	445
46.	The Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988	448
47.	The Appropriation (Railways) No. 4 Act, 1988	456
48.	The Appropriation (No. 4) Act, 1988	458
49.	The Prevention of Corruption Act, 1988	461
50.	The Aircraft (Amendment) Act, 1988	476
51.	The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1988	477
52.	The State of Arunachal Pradesh (Amendment) Act, 1988	488
53.	The Water (Prevention and Control of Pollution) Amendment Act, 1988	489
54.	The Auroville Foundation Act, 1988	499
55.	The Merchant Shipping (Amendment) Act, 1988	515
56.	The Dock Workers (Regulation of Employment) Amendment Act, 1988	517
57.	The Delhi Rent Control (Amendment) Act, 1988	518
58.	The Jamia Millia Islamia Act, 1988	523
59.	The Motor Vehicles Act, 1988	568
60.	The Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 1988	707
61.	The Maternity Benefit (Amendment) Act, 1988	710
62.	The Monopolies and Restrictive Trade Practices (Amendment) Act, 1988	714
63.	The Commissions of Inquiry (Amendment) Act, 1988	715
64.	The Tamil Nadu Appropriation (No. 3) Act, 1988	717
65.	The Punjab Appropriation (No. 3) Act, 1988	720
66.	The Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988	722

Act No.	Short Title	Page No.
67.	The Sixth Schedule to the Constitution (Amendment) Act, 1988	737
68.	The National Highways Authority of India Act, 1988	740
69	The Forest (Conservation) Amendment Act, 1988	754
70	The Appropriation (No. 5) Act, 1988	756
	The Constitution (Fifty-ninth Amendment) Act, 1988	758
	The Constitution (Sixtieth Amendment) Act, 1988	760
	INDEX	761

TABLE SHOWING EFFECT OF PARLIAMENTARY LEGISLATION OF 1988

PART I.—CENTRAL ACTS AMENDED, REPEALED OR OTHERWISE AFFECTED

Year of Act	No. of Act	Short title of Act	How affected	No. and section of 1988 Act by which affected
1860	45	Indian Penal Code, 1860	Explanation I of s. 405 amended (w.e.f. 1-8-1988). Ss. 161 to 165A (both inclusive) omitted	33, s. 27. 49, s.31.
1881	26	Negotiable Instruments Act, 1881	Ss. 80 and 117 amended (w.e.f. 30-12-1988).	66, ss. 2 and 3.
1908	25	Code of Civil Procedure, 1908	Chapter XVII inserted (w.e.f. 1-4-1989).	<i>Ibid.</i> , s. 4.
1934	2	Reserve Bank of India Act, 1934	Rule 15-A, in Order XXXIII of First Schedule amended.	19, s. 3 and Sch. II.
1934	22	Aircraft Act, 1934	Ss. 17 and 58 amended (w.e.f. 30-12-1988).	66, ss. 5 and 6.
1936	3	Parsi Marriage and Divorce Act, 1936	S. 10 amended	50, s.2
1944	1	Central Excises and Salt Act, 1944	Ss. 3, 6, 19, 20, 25, 27, 29, 32, 34, 35, 41, 44, 47, 48 and 49 amended (w.e.f. 15-4-1988).	5, ss. 2, 3, 4, 6, 7, 8, 10, 11, 14, 16, 17, 18, 19 and 20.
1944	8	Income Tax Act, 1944	Ss. 32A, 32B inserted (w.e.f. 15-4-1988).	<i>Ibid.</i> , s. 9
1944	1	Central Excises and Salt Act, 1944	Ss. 38, 39, 40, 43 substituted (w.e.f. 15-4-1988).	<i>Ibid.</i> , ss. 12, 13 and 15.
1944	1	Central Excises and Salt Act, 1944	Ss. 11C, 37A and 38 amended (w.e.f. 1-7-1988).	29, ss. 10, 14 and 15.
1944	1	Central Excises and Salt Act, 1944	S. 35E amended (w.e.f.)	<i>Ibid.</i> , s. 11.
1944	1	Central Excises and Salt Act, 1944	Ss. 5A and 36B inserted (w.e.f. 1-7-1988).	<i>Ibid.</i> , ss. 9 and 13.
1944	1	Central Excises and Salt Act, 1944	S. 35EA inserted (w.e.f.)	<i>Ibid.</i> , s.12.
1947	2	Prevention of Corruption Act, 1947	Repealed	49, s.30.
1948	9	Dock Workers (Regulation of Employment) Act, 1948	Ss. 5D and 5E inserted.	56, s. 2.
1948	24	Electricity (Supply) Act, 1948	S. 79A amended	19, s. 3 and Sch. II.

THE BANKING, PUBLIC FINANCIAL INSTITUTIONS AND
NEGOTIABLE INSTRUMENTS LAWS (AMENDMENT)
ACT, 1988

No. 66 of 1988

[16th December, 1988.]

An Act further to amend the Negotiable Instruments Act, 1881, the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959, the Deposit Insurance and Credit Guarantee Corporation Act, 1961, the Industrial Development Bank of India Act, 1964, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Regional Rural Banks Act, 1976, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, the Export-Import Bank of India Act, 1981, the National Bank for Agriculture and Rural Development Act, 1981 and the Industrial Reconstruction Bank of India Act, 1984.

Be it enacted by Parliament in the Thirty-ninth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short
title and
commen-
cement.

1. (1) This Act may be called the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act.

CHAPTER II

AMENDMENTS TO THE NEGOTIABLE INSTRUMENTS ACT, 1881

Amend-
ment of
section
80.

2. In section 80 of the Negotiable Instruments Act, 1881 (hereafter in this Chapter referred to as the Negotiable Instruments Act), for the words "six per centum", the words "eighteen per centum" shall be substituted.

26 of 1881.

Amend-
ment of
section
117.

3. In section 117 of the Negotiable Instruments Act, in clause (c), for the words "six per centum", the words "eighteen per centum" shall be substituted.

1. 30-12-1988; *vide* Notification No. S.O. 1210(E), dated 28-12-1988, (except sections 4, 12 and 13) Gazette of India, Extra ordinary, 1988, Pt. II, sec. 3(ii).

1. 1-4-1989; *vide* Notification No. S.O. 240(E), dated 29-3-1989 (in respect of s.4), Gazette of India 1989, Extra-ordinary 1989, Pt. II, sec. 3(ii).

4. In the Negotiable Instruments Act, after Chapter XVI, the following Chapter shall be inserted, namely:—

Insertion
of new
Chapter
XVII.

‘CHAPTER XVII

OF PENALTIES IN CASE OF DISHONOUR OF CERTAIN CHEQUES FOR INSUFFICIENCY OF FUNDS IN THE ACCOUNTS

138. Where any cheque drawn by a person on an account maintained by him with a banker for payment of any amount of money to another person from out of that account for the discharge, in whole or in part, of any debt or other liability, is returned by the bank unpaid, either because of the amount of money standing to the credit of that account is insufficient to honour the cheque or that it exceeds the amount arranged to be paid from that account by an agreement made with that bank, such person shall be deemed to have committed an offence and shall, without prejudice to any other provision of this Act, be punished with imprisonment for a term which may extend to one year, or with fine which may extend to twice the amount of the cheque, or with both:

Dis-
honour
of cheque
for insuffi-
ciency, etc.,
of funds
in the
account.

Provided that nothing contained in this section shall apply unless—

(a) the cheque has been presented to the bank within a period of six months from the date on which it is drawn or within the period of its validity, whichever is earlier;

(b) the payee or the holder in due course of the cheque, as the case may be, makes a demand for the payment of the said amount of money by giving a notice, in writing, to the drawer of the cheque, within fifteen days of the receipt of information by him from the bank regarding the return of the cheque as unpaid; and

(c) the drawer of such cheque fails to make the payment of the said amount of money to the payee or, as the case may be, to the holder in due course of the cheque, within fifteen days of the receipt of the said notice.

Explanation.—For the purposes of this section, “debt or other liability” means a legally enforceable debt or other liability.

139. It shall be presumed, unless the contrary is proved, that the holder of a cheque received the cheque of the nature referred to in section 138 for the discharge, in whole or in part, of any debt or other liability.

Presump-
tion in
favour of
holder.

140. It shall not be a defence in a prosecution for an offence under section 138 that the drawer had no reason to believe when he issued the cheque that the cheque may be dishonoured on presentment for the reasons stated in that section.

Defence
which
may not
be allow-
ed in a
prosecu-
tion un-
der sec-
tion 138.

Offences
by com-
panies.

141. (1) If the person committing an offence under section 138 is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any person liable to punishment if he proves that the offence was committed without his knowledge, or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

Cogni-
zance of
offences.

142. Notwithstanding anything contained in the Code of Criminal Procedure, 1973,—

2 of 1974.

(a) no court shall take cognizance of any offence punishable under section 138 except upon a complaint, in writing, made by the payee or, as the case may be, the holder in due course of the cheque;

(b) such complaint is made within one month of the date on which the cause of action arises under clause (c) of the proviso to section 138;

(c) no court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence punishable under section 138.

CHAPTER III

AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934

Amend-
ment of
section 17.

5 In section 17 of the Reserve Bank of India Act, 1934 (hereafter in this Chapter referred to as the Reserve Bank Act), in clause (4B), the proviso shall be omitted.

2 of 1934.

Amend-
ment of
section 58.

6. In section 58 of the Reserve Bank Act,—

(a) in sub-section (1), after the words “the Central Government,” the words “by notification in the Official Gazette,” shall be inserted;

(b) in sub-section (2), in clause (p), for the words "the scheduled banks", the words and brackets "banks (including post office savings banks)" shall be substituted.

CHAPTER IV

AMENDMENTS TO THE BANKING REGULATION ACT, 1949

10 of 1949.

7. In section 11 of the Banking Regulation Act, 1949 (hereafter in this Chapter referred to as the Banking Regulation Act), in sub-section (2), in clause (b), in sub-clause (ii), the word "calendar" shall be omitted.

Amend-
ment of
section 11.

8. In section 29 of the Banking Regulation Act,—

Amend-
ment of
section 29.

(a) in sub-section (1),—

(i) in the opening paragraph,—

(A) after the words "each calendar year", the words "or at the expiration of a period of twelve months ending with such date as the Central Government may, by notification in the Official Gazette, specify in this behalf," shall be inserted;

(B) for the words "that year", the words "that year or period, as the case may be," shall be substituted;

(C) for the words "the year", the words "the year or the period, as the case may be," shall be substituted;

(ii) for the proviso, the following proviso shall be substituted, namely:—

"Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the preparation of, or for other matters relating to, the balance-sheet or profit and loss account in respect of the concerned year or period, as the case may be.";

(b) after sub-section (3A), the following *Explanation* shall be inserted, namely:—

'Explanation.—In sub-section (3A), "year" means the year or, as the case may be, the period referred to in sub-section (1).'

9. In section 30 of the Banking Regulation Act,—

Amend-
ment of
section
30.

(a) in sub-section (1B), for the portion beginning with the words "it may direct" and ending with the words "specified in the order", the following shall be substituted, namely:—

"it may at any time by order direct that a special audit of the banking company's accounts, for any such transaction or class of transactions or for such period or periods as may be specified in the order, shall be conducted and may by the same or a different order either appoint a person duly qualified under any law for the time being in force to be an auditor of companies

or direct the auditor of the banking company himself to conduct such special audit”;

(b) in sub-section (1C), for the words “the audit of the transaction or class of transactions”, the words “the special audit” shall be substituted;

(c) in sub-section (2), the words “, and auditors, if any, appointed by the law establishing, constituting or forming the banking company concerned” shall be inserted at the end.

Amendment of section 51.

10. In section 51 of the Banking Regulation Act, for the figures “31”, the words, brackets, figures and letters “sub-sections (1B), (1C) and (2) of section 30, 31” shall be substituted.

Amendment of Third Schedule.

11. In the Third Schedule to the Banking Regulation Act, in Form B, in the portion appearing after the heading “FORM OF PROFIT AND LOSS ACCOUNT”, the word “December” shall be omitted.

CHAPTER V

AMENDMENTS TO THE STATE BANK OF INDIA ACT, 1955

Amendment of section 20.

12. In section 20 of the State Bank of India Act, 1955 (hereafter in this Chapter referred to as the State Bank Act),—

23 of 1955.

(a) in sub-section (3),—

(i) the words, brackets and figure “and in sub-section (5)” shall be omitted;

(ii) for the words, figures, brackets and letter “section 19 or nominated under clause (d) of that sub-section” and “four years”, the words “that section” and “three years” shall, respectively, be substituted;

(iii) the words “or nominated” and “or renomination” shall be omitted;

(iv) the following proviso shall be inserted at the end, namely:—

“Provided that no such director shall hold office continuously for a period exceeding six years.”;

(b) in sub-section (3A),—

(i) for the words “A director”, the words, brackets and figure “Subject to the provisions contained in sub-section (4), a director” shall be substituted;

(ii) after the word and figures “section 19”, the words, brackets and letter “or nominated under clause (d) of that sub-section” shall be inserted;

(iii) for the words “duly appointed” and “for re-appointment”, the words “duly appointed or nominated” and “for re-appointment or re-nomination, as the case may be” shall, respectively, be substituted;

(iv) the following proviso shall be inserted at the end, namely:—

“Provided that no such director shall hold office continuously for a period exceeding six years.”;

(c) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) A director appointed under clause (ca) or clause (cb) of sub-section (1) of section 19 or nominated under clause (d) or clause (e) or clause (f) of that sub-section shall hold office during the pleasure of the authority appointing or nominating him, as the case may be.”;

(d) sub-section (5) shall be omitted.

13. In section 21A of the State Bank Act,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) Subject to the provisions contained in this section and in sub-section (2) of section 21, a member of a Local Board—

(a) nominated under clause (c) of sub-section (1) of section 21 shall hold office for such term, not exceeding three years, as the Central Government may specify in this behalf and thereafter until his successor has been duly nominated:

(b) elected under clause (d) of sub-section (1) of section 21 shall hold office for three years and thereafter until his successor has been duly elected,

and shall be eligible for re-nomination or re-election, as the case may be:

Provided that no such director shall hold office continuously for a period exceeding six years.”;

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

“(5) A member of a Local Board nominated under clause (c) of sub-section (1) of section 21 shall hold office during the pleasure of the Central Government.”.

14. In section 39 of the State Bank Act,—

(a) for the words “in each year”, the words “or such other date in each year as the Central Government may, by notification in the Official Gazette, specify” shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books in respect of the concerned years.”.

Amendment of section 21A.

Amendment of section 39.

Amend-
ment of
section 40.

15. In section 40 of the State Bank Act, in sub-section (1), after the words, figures and letters "the 31st day of December", the words and figures "or the date specified under section 39, as the case may be" shall be inserted.

Amend-
ment of
section 42.

16. In section 42 of the State Bank Act, in sub-section (2), after the words, figures and letters "the previous 31st day of December", the words and figures "or the date specified under section 39, as the case may be" shall be inserted.

Amend-
ment of
section 50.

17. In section 50 of the State Bank Act, in sub-section (1), after the words "the Central Government", the words ", by notification in the Official Gazette," shall be inserted.

CHAPTER VI

AMENDMENTS TO THE STATE BANK OF INDIA (SUBSIDIARY BANKS) ACT, 1959

Amend-
ment of
section 25.

18. In section 25 of the State Bank of India (Subsidiary Banks) Act, 1959 (hereafter in this Chapter referred to as the Subsidiary Banks Act), in sub-section (1),—

38 of 1959.

(a) in clause (c), the following proviso shall be inserted at the end, namely:—

"Provided that any nomination of a director made by the State Bank under this clause shall, except in so far as it relates to an officer of that bank, be in consultation with the Central Government;"

(b) in clause (e), the words "in consultation with the State Bank" shall be omitted.

Amend-
ment of
section 26.

19. In section 26 of the Subsidiary Banks Act,—

(a) in sub-section (1),—

(i) for the portion beginning with the words "if nominated" and ending with the words "that sub-section," the following shall be substituted, namely:—

"nominated under clause (b) or clause (c) or clause (e) of sub-section (1) of section 25 or appointed under clause (ca) or clause (cb) of that sub-section";

(ii) for the word "nominating", the words "nominating or appointing" shall be substituted;

(b) for sub-sections (2) and (2A), the following sub-sections shall be substituted, namely:—

"(2) Subject to the provisions contained in section 25, a director elected under clause (d) of sub-section (1) of that section shall hold office for three years and thereafter until his successor is duly elected, and shall be eligible for re-election:

Provided that no such director shall hold office continuously for a period exceeding six years.

(2A) Subject to the provisions contained in section 25 and in sub-section (1), a director nominated under clause (c) and not

being an officer of the State Bank or a director appointed under clause (ca) or clause (cb) or a director, not being an officer of the Central Government, nominated under clause (e) of sub-section (1) of section 25, shall hold office for such term not exceeding three years, as the Central Government may specify and thereafter until his successor shall have been duly nominated or appointed, and shall be eligible for re-nomination or re-appointment, as the case may be:

Provided that no such director shall hold office continuously for a period exceeding six years.”;

(c) sub-section (3) shall be omitted.

20. In section 39 of the Subsidiary Banks Act,—

(a) for the words “in each year”, the words “or such other date in each year as the Central Government may, by notification in the Official Gazette, specify” shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books in respect of the concerned years.”.

21. In section 43 of the Subsidiary Banks Act, in sub-section (1), in clause (a), after the words, figures and letters “the 31st day of December”, the words and figures “or the date notified under section 39, as the case may be,” shall be inserted.

22. In section 44 of the Subsidiary Banks Act, in sub-sections (2) and (3), after the words, figures and letters “the previous 31st day of December”, the words and figures “or the date notified under section 39, as the case may be” shall be inserted.

23. In section 63 of the Subsidiary Banks Act, in sub-section (1), after the words “the Reserve Bank,”, the words “by notification in the Official Gazette,” shall be inserted.

CHAPTER VII

AMENDMENTS TO THE DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION ACT, 1961

47 of 1961. 29. In section 6 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (hereafter in this Chapter referred to as the Deposit Insurance Corporation Act), in sub-section (2),—

(a) in clause (i), after the word, brackets and letter “clause (c)”, the words, brackets and letters “or clause (d) or clause (e)” shall be inserted;

Amendment of section 39.

Amendment of section 43.

Amendment of section 44.

Amendment of section 63.

Amendment of section 6.

(b) for clause (ii), the following clause shall be substituted, namely:—

“(ii) subject to the provisions contained in clause (i), a director nominated under clause (d) or clause (e) of sub-section (1), shall hold office for such period, not exceeding three years, as may be specified by the Central Government in this behalf and thereafter until his successor assumes office, and shall be eligible for re-nomination:

Provided that no such director shall hold office continuously for a period exceeding six years;”

Amend-
ment of
section 28.

25. In section 28 of the Deposit Insurance Corporation Act, in sub-section (2),—

(a) for the words “, each year”, the words “or such other date in each year as the Central Government may, by notification in the Official Gazette, specify” shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the balancing and closing of, or for other matters relating to, the books or accounts in respect of the concerned years.”

Amend-
ment of
section 50.

26. In section 50 of the Deposit Insurance Corporation Act, in sub-section (1), after the words “the Reserve Bank,” the words “by notification in the Official Gazette,” shall be inserted.

CHAPTER VIII

AMENDMENTS TO THE INDUSTRIAL DEVELOPMENT BANK OF INDIA ACT, 1964

Amend-
ment of
section 6.

27. In section 6 of the Industrial Development Bank of India Act, 1964 (hereafter in this Chapter referred to as the Development Bank Act), for sub-section (4A), the following sub-section shall be substituted, namely:—

18 of 1964.

“(4A) Subject to the provisions of sub-section (4),—

(a) every director nominated under sub-clause (ii) or sub-clause (iv) of clause (c) of sub-section (1) and not being an official of Government or not being an official or whole-time director of the Reserve Bank or a financial institution or the State Bank or a nationalised bank or a State Financial Corporation; and

(b) every director nominated under sub-clause (iii) or sub-clause (v) of clause (c) of sub-section (1),

shall hold office for such term, not exceeding three years, as the Central Government may specify in this behalf and thereafter until his successor assumes office, and shall be eligible for re-nomination:

Provided that no such director shall hold office continuously for a period exceeding six years.”

28. In section 18 of the Development Bank Act, in sub-section (2), the following proviso shall be inserted at the end, namely:—

Amend-
ment of
section 18

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books or accounts in respect of the concerned years.”

29. In section 21 of the Development Bank Act, in sub-section (2), the following proviso shall be inserted at the end, namely:—

Amend-
ment of
section 21.

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books or accounts in respect of the concerned years.”

CHAPTER IX

AMENDMENTS TO THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970

5 of 1970.

30. In section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (hereafter in this Chapter referred to as the Bank Nationalisation Act), in sub-section (2A), in the proviso, for the words “rupees one hundred crores”, the words “rupees five hundred crores” shall be substituted.

Amend-
ment of
section 3.

31. In section 9 of the Bank Nationalisation Act,—

(a) in sub-section (2),—

(i) in clause (a), for the words “rupees one hundred crores”, the words “rupees five hundred crores” shall be substituted;

(ii) in clause (c), for the words “corresponding new bank to any other banking institution”, the words “corresponding new bank to any other corresponding new bank or banking institution” shall be substituted;

(b) in sub-section (5), the *Explanation* shall be numbered as *Explanation I*, and after *Explanation I* as so numbered, the following *Explanation* shall be inserted, namely:—

Amend-
ment of
section 9.

Explanation II.—For the purposes of this section, the expression “corresponding new bank” shall include a corresponding new bank within the meaning of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980.’

40 of 1980.

32. In section 10 of the Bank Nationalisation Act, in sub-section (1),—

(a) for the words “of each year”, the words “or such other date in each year as the Central Government may, by notification in the Official Gazette, specify” shall be substituted;

Amend-
ment of
section 10.

(b) the following proviso shall be inserted at the end, namely:—

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books in respect of the concerned years.”.

CHAPTER X

AMENDMENTS TO THE REGIONAL RURAL BANKS ACT, 1976

Amend-
ment of
section 19.

33. In section 19 of the Regional Rural Banks Act, 1976 (hereafter in this Chapter referred to as the Rural Banks Act), in sub-section (1),—

21 of 1976.

(i) for the words “of each year”, the words “or such other date in each year as the Central Government may, by notification in the Official Gazette, specify” shall be substituted;

(ii) the following proviso shall be inserted at the end, namely:—

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books in respect of the concerned years.”.

Amend-
ment of
section
30.

34. In section 30 of the Rural Banks Act, in sub-section (1), after the words “the Central Government,”, the words “by notification in the Official Gazette,” shall be inserted.

CHAPTER XI

AMENDMENTS TO THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1980

Amend-
ment of
section 3.

35. In section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (hereafter in this Chapter referred to as the Bank Nationalisation Act), in sub-section (2A), in the proviso, for the words “rupees one hundred crores”, the words “rupees five hundred crores” shall be substituted.

40 of 1980.

Amend-
ment of
section 9.

36. In section 9 of the Bank Nationalisation Act,—

(a) in sub-section (2),—

(i) in clause (a), for the words “rupees one hundred crores” the words “rupees five hundred crores” shall be substituted;

(ii) in clause (c), for the words “corresponding new bank to any other banking institution”, the words “corresponding new bank to any other corresponding new bank or banking institution” shall be substituted;

(b) in sub-section (5), the *Explanation* shall be numbered as *Explanation I*, and after *Explanation I* as so numbered, the following *Explanation* shall be inserted, namely:—

5 of 1970.

Explanation II.—For the purposes of this section, the expression “corresponding new bank” shall include a corresponding new bank within the meaning of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.’

37. In section 10 of the Bank Nationalisation Act, in sub-section (1),—

Amendment of section 10.

(a) for the words “of each year”, the words “or such other date in each year as the Central Government may, by notification in the Official Gazette, specify” shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books in respect of the concerned years.”.

38. In section 19 of the Bank Nationalisation Act, in sub-section (1), after the words “the Central Government,” the words “by notification in the Official Gazette,” shall be inserted.

Amendment of section 19.

CHAPTER XII

AMENDMENTS TO THE EXPORT-IMPORT BANK OF INDIA ACT, 1981

28 of 1981.

39. In section 6 of the Export-Import Bank of India Act, 1981 (hereafter in this chapter referred to as the *Exim Bank Act*),—

Amendment of section 6.

(a) for sub-section (6), the following sub-section shall be substituted, namely:—

“(6) Subject to the provisions contained in sub-section (7), any director nominated under clause (b) or clause (c) or clause (d) or clause (e) of sub-section (1) and not being an official of Government or not being a whole-time director or official of the Reserve Bank or the Development Bank or the said Export Credit and Guarantee Corporation Limited or a scheduled bank, shall hold office for such term, not exceeding three years, as the Central Government or, as the case may be, the authority nominating him, may specify in this behalf and thereafter until his successor enters upon his office, and shall be eligible for re-nomination:

Provided that no such director shall hold office continuously for a period exceeding six years.”;

(b) in sub-section (7), the word “other” shall be omitted.

Amend-
ment of
section 19.

40. In section 19 of the Exim Bank Act, in sub-section (2),—

(a) for the words “each year”, the words “or such other date in each year as the Central Government may, by notification in the Official Gazette, specify” shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books or accounts in respect of the concerned years.”.

Amend-
ment of
section 22.

41. In section 22 of the Exim Bank Act, in sub-section (2),—

(a) for the words “each year”, the words “or such other date in each year as the Central Government may, by notification in the Official Gazette, specify” shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books or accounts in respect of the concerned years.”.

Amend-
ment of
section
39.

42. In section 39 of the Exim Bank Act, in sub-section (1), after the words “the Central Government,” the words “by notification in the Official Gazette,” shall be inserted.

CHAPTER XIII

AMENDMENTS TO THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT ACT, 1981

Amend-
ment of
section
5.

43. In section 5 of the National Bank for Agriculture and Rural Development Act, 1981 (hereafter in this Chapter referred to as the National Bank Act), in sub-section (3), the following proviso shall be inserted at the end, namely:—

61 of 1981.

“Provided that during the period of any casual vacancy of the nature referred to in section 11 in the office of the Managing Director, the Chairman may also exercise the powers and discharge the functions of the Managing Director until the person appointed by the Central Government under section 11 to act as Managing Director enters upon his office.”.

Amend-
ment of
section
6.

44. In section 6 of the National Bank Act, in sub-section (2), the following proviso shall be inserted at the end, namely:—

“Provided that no such consultation shall be necessary in the case of directors appointed under clause (e) of sub-section (1).”.

45. In section 7 of the National Bank Act,—

Amend-
ment of
section 7.

(a) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) Subject to the provisions contained in sub-section (5), a director appointed under clause (b) or clause (c) of sub-section (1) of section 6, shall hold office for such term, not exceeding three years, as the Central Government may specify in this behalf and thereafter until his successor enters upon his office, and shall be eligible for reappointment:

Provided that no such director shall hold office continuously for a period exceeding six years.”;

(b) in sub-section (3), the words, brackets and figure “or any other director referred to in sub-section (2)” shall be omitted;

(c) after sub-section (4), the following sub-section shall be inserted, namely:—

“(5) The directors appointed under clauses (b) to (f) of sub-section (1) of section 6 shall hold office during the pleasure of the Central Government.”.

46. In section 46 of the National Bank Act, in sub-section (2),—

Amend-
ment of
section 46.

(a) for the words “, each year”, the words “or such other date in each year as the Central Government may, by notification in the Official Gazette, specify” shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

“Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the balancing and closing of, or for other matters relating to, the books or accounts in respect of the concerned years.”.

CHAPTER XIV

AMENDMENTS TO THE INDUSTRIAL RECONSTRUCTION BANK OF INDIA Act, 1984

62 of 1984. 47. In section 10 of the Industrial Reconstruction Bank of India Act, 1984 (hereafter in this Chapter referred to as the Industrial Reconstruction Bank Act), after sub-section (2), the following sub-section shall be inserted, namely:—

Amend-
ment of
section 10.

“(3) Subject to the provisions of sub-section (2), a director nominated under clause (c) or clause (d) of sub-section (1) and not being an official of Government or not being an official or whole-time director of the Development Bank or a public financial institution or the State Bank or a nationalised bank or a State Financial Corporation, shall hold office for such term, not exceeding three years, as the authority nominating him may specify in this behalf

736 Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) [Act 66 of 1988]

and thereafter until his successor enters upon his office, and shall be eligible for re-nomination:

Provided that no such director shall hold office continuously for a period exceeding six years."

Amendment of section 29.

48. In section 29 of the Industrial Reconstruction Bank Act, in sub-section (2),—

(a) for the words "each year", the words "or such other date in each year as the Central Government may, by notification in the Official Gazette, specify" shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

"Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books or accounts in respect of the concerned years."

Amendment of section 32.

49. In section 32 of the Industrial Reconstruction Bank Act, in sub-section (2),—

(a) for the words "each year", the words "or such other date in each year as the Central Government may, by notification in the Official Gazette, specify" shall be substituted;

(b) the following proviso shall be inserted at the end, namely:—

"Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this sub-section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books or accounts in respect of the concerned years."

Amendment of section 69.

50. In section 69 of the Industrial Reconstruction Bank Act, in sub-section (1), after the words "the Central Government," the words "by notification in the Official Gazette," shall be inserted.