

1948

SHORT TITLES OF ACTS PASSED BY THE CENTRAL LEGISLATURE IN  
THE YEAR 1948.

- I. The Federal Court (Enlargement of Jurisdiction) Act, 1947.
- II. The Repealing and Amending Act, 1947.
- III. The Armed Forces (Special Powers) Act, 1947.
- IV. The Armed Forces (Emergency Duties) Act, 1947.
- V. The Indian Tariff (Second Amendment) Act, 1947.
- VI. The Code of Civil Procedure (Amendment) Act, 1948.
- VII. The Cotton Textiles Cess Act, 1948.
- VIII. The Pharmacy Act, 1948.
- IX. The Dock Workers (Regulation of Employment) Act, 1948.
- X. The Insurance (Amendment) Act, 1948.
- XI. The Minimum Wages Act, 1948.
- XII. The Rehabilitation Finance Administration Act, 1948.
- XIII. The Railways (Transport of Goods) (Amendment) Act, 1948.
- XIV. The Damodar Valley Corporation Act, 1948.
- XV. The Industrial Finance Corporation Act, 1948.
- XVI. The Dentists Act, 1948.
- XVII. The Indian Army and the Indian Air Force (Amendment) Act, 1948.
- XVIII. The Protective Duties continuance Act, 1948.
- XIX. The Indian Tea Control (Amendment) Act, 1948.
- XX. The Indian Finance Act, 1948.
- XXI. The Indian Railways (Amendment) Act, 1948.
- XXII. The Indian Power Alcohol Act, 1948.
- XXIII. The Taxation on Income (Investigation Commission) (Amendment) Act, 1948.
- XXIV. The Indian Aircraft (Amendment) Act, 1948.
- XXV. The Provincial Insolvency (Amendment) Act, 1948.
- XXVI. The Junagadh Administration (Property) Act, 1948.
- XXVII. The Control of Shipping (Amendment) Act, 1948.
- XXVIII. The Delhi and Ajmer-Merwara Rent Control (Amendment) Act, 1948.
- XXIX. The Atomic Energy Act, 1948.
- XXX. The Indian Lac Cess (Amendment) Act, 1948.
- XXXI. The National Cadet Corps Act, 1948.
- XXXII. The Road Transport Corporations Act, 1948.
- XXXIII. The Calcutta Port (Pilotage) Act, 1948.
- XXXIV. The Employees' State Insurance Act, 1948.
- XXXV. The Gandhi National Memorial Fund Donations (Companies) Act, 1948.
- XXXVI. The Bombay, Calcutta and Madras Port Trusts (Constitution) (Amendment) Act, 1948.
- XXXVII. The Census Act, 1948.

- XXXVIII. The Continuance of Legal Proceedings Act, 1948.
- XXXIX. The Indian Registration (Amendment) Act, 1948.
- XL. The Indian Matrimonial Causes (War Marriages) Act, 1948.
- XLI. The Diplomatic and Consular Officers (Oaths and Fees) Act, 1948.
- XLII. The Indian Merchant Shipping (Amendment) Act, 1948.
- XLIII. The Indian Army (Amendment) Act, 1948.
- XLIV. The Durgah Khawaja Saheb (Amendment) Act, 1948.
- XLV. The Indian Telegraph (Amendment) Act, 1948.
- XLVI. The Coal Mines Provident Fund and Bonus Schemes Act, 1948.
- XLVII. The Persons (Institution of Suits) Act, 1948.
- XLVIII. The Income-tax and Business Profits Tax (Amendment) Act, 1948.
- XLIX. The Taxation on Income (Investigation Commission) (Second Amendment) Act, 1948.
- L. The Cantonments (Amendment) Act, 1948.
- LI. The Imperial Library (Change of Name) Act, 1948.
- LII. The Bombay Public Security Measures (Delhi Amendment) Act, 1948.
- LIII. The Mines and Minerals (Regulation and Development) Act, 1948.
- LIV. The Electricity (Supply) Act, 1948.
- LV. The Indian Income-tax (Amendment) Act, 1948.
- LVI. The Territorial Army Act, 1948.
- LVII. The Indian Navy (Discipline) Amendment Act, 1948.
- LVIII. The Exchange of Prisoners Act, 1948.
- LIX. The Indian Cotton Cess (Amendment) Act, 1948.
- LX. The Resettlement of Displaced Persons (Land Acquisition) Act, 1948.
- LXI. The Central Silk Board Act, 1948.
- LXII. The Reserve Bank (Transfer to Public Ownership) Act, 1948.
- LXIII. The Factories Act, 1948.
- LXIV. The Essential Supplies (Temporary Powers) (Amendment) Act, 1948.
- LXV. The Indian Railways (Second Amendment) Act, 1948.
- LXVI. The Delhi and Ajmer-Merwara Land Development Act, 1948.
- LXVII. The Indian Tariff (Amendment) Act, 1948.

SHORT TITLES OF ORDINANCES MADE BY THE GOVERNOR GENERAL  
DURING THE YEAR 1948.

- I. The Pakistan Military Personnel Amnesty Ordinance, 1948.
- II. The Indian Army Act (Application) Ordinance, 1948.
- III. The Transfer of Property (India) Ordinance, 1948.
- IV. The Delhi Improvement Trust (Amendment) Ordinance, 1948.
- V. The Indian Navy (Discipline) Amendment Ordinance, 1948.
- VI. The Exchange of Prisoners Ordinance, 1948.
- VII. The Coal Mines Provident Fund and Bonus Schemes Ordinance, 1948.
- VIII. The Delhi Water Supply (Emergency Provisions) Ordinance, 1948.

*Rep. by Act 35 of 1950.*

## Act No. II of 1948

[PASSED BY THE DOMINION LEGISLATURE]

(Received the assent of the Governor General on the 5th January 1948)

An Act to repeal or amend certain enactments.

**W**HEREAS it is expedient that the enactments specified in the Schedule which are spent or have otherwise become unnecessary, or have ceased to be in force otherwise than by expressed specific repeal, should be expressly and specifically repealed;

AND WHEREAS it is expedient that certain formal amendments should be made in the Indian Income-tax Act, 1922 (XI of 1922);

It is hereby enacted as follows:—

1. **Short title.**—This Act may be called the Repealing and Amending Act, 1947

2. **Repeal of certain enactments.**—The enactments specified in the Schedule are hereby repealed to the extent mentioned in the fourth column thereof.

3. **Savings.**—The repeal by this Act of any enactment shall not affect any other enactment in which such enactment has been applied, incorporated or referred to;

and this Act shall not affect the validity, invalidity, effect or consequences of anything already done or suffered or any right, title, obligation or liability acquired, accrued or incurred, or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand or any indemnity already granted, or the proof of any past act or thing;

nor shall this Act affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that they respectively may have been in any manner affirmed, recognised or derived by, in or from any enactment hereby repealed;

nor shall the repeal by this Act of any enactment revive or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force, or any provision of the Letters Patent of any High Court which under any such enactment ceased to have effect.

4. **Amendment of section 10 of Act XI of 1922.**—In section 10 of the Indian Income-tax Act, 1922,—

(a) in clause (b) of the proviso to clause (vi) of sub-section (2) for the words, brackets and letter "clause (a) of" the words, brackets and letter "clause (b) of" shall be substituted; and

(b) in sub-section (4) for the word, brackets and figure "clause (xii)", wherever they occur, the word, brackets and figure "clause (xv)" shall be substituted.

### THE SCHEDULE

(See section 2)

*Acts of the Indian Legislature*

1920	XL	The Aligarh Muslim University Act, 1920	The proviso to sub-section (2) of section 30.
1924	II	The Cantonments Act, 1924	The second proviso to sub-section (1) of section 15.
1927	XVI	The Indian Forest Act, 1927	Section 88 and the Schedule.
1934	II	The Reserve Bank of India Act, 1934	Clause (i) of section 17.

*Price anna 1 or 1½.*

*Acts of the Central Indian Legislature.—contd.*

1939	XXXV	The Defence of India Act, 1939	The whole
1940	III	The Royal Indian Navy (Extension of Service) Act, 1940	The whole
1940	VII	The Reserve Bank of India (Closing of Annual Accounts) Act, 1940	The whole
1940	XXXVII	The War Donations and Investments (Companies) Act, 1940	The whole
1942	I	The Workmen's Compensation (Amendment) Act, 1942	The whole
1942	II	The Indian Merchant Shipping (Amendment) Act, 1942	The whole
1942	III	The Indus Vessels (Amendment) Act, 1942	The whole
1942	IV	The Indian Medical Council (Amendment) Act, 1942	The whole
1942	V	The Indian Boilers (Amendment) Act, 1942	The whole
1942	VII	The Coffee Market Expansion Act, 1942	Section 50
1942	VIII	The Indian Penal Code (Amendment) Act, 1942	The whole
1942	IX	The Cotton Ginning and Pressing Factories (Amendment) Act, 1942	The whole
1942	XI	The Protective Duties Continuation Act, 1942	The whole
1942	XV	The Cantonments (Amendment) Act, 1942	The whole
1942	XVI	The Indian Limitation (Amendment) Act, 1942	The whole
1942	XVII	The Indian Companies (Amendment) Act, 1942	The whole
1942	XX	The Motor Vehicles (Amendment) Act, 1942	The whole
1942	XXI	The Indian Companies (Second Amendment) Act, 1942	The whole
1942	XXII	The Indian Rubber Control (Temporary Amendment) Act, 1942	The whole
1942	XXIII	The Code of Civil Procedure (Amendment) Act, 1942	The whole
1942	XXIV	The Code of Civil Procedure (Second Amendment) Act, 1942	The whole
1942	XXV	The Repealing and Amending Act, 1942	The whole
1943	I	The Motor Vehicles (Amendment) Act, 1943	The whole
1943	II	The Government Savings Banks (Amendment) Act, 1943	The whole
1943	III	The Indian Railways (Amendment) Act, 1943	The whole
1943	IV	The Aligarh Muslim University (Amendment) Act, 1943	The whole
1943		The Code of Civil Procedure (Amendment) Act, 1943	The whole

*Acts of the Central Legislature—contd.*

1943 VI	The Indian Penal Code (Amendment) Act, 1943	The whole
1943 VII	The Coffee Market Expansion (Amendment) Act, 1943	The whole
1943 XII	The Indian Tea Control (Amendment) Act, 1943	The whole
1943 XIV	The Indian Army and Air Force (Military Prisons and Detention Barracks) Act, 1943	The whole
1943 XV	The Trade Marks (Amendment) Act, 1943	The whole
1943 XVI	The Muslim Personal Law (Shariat) Application (Amendment) Act, 1943	The whole
1943 XVII	The Indian Boilers (Amendment) Act, 1943	The whole
1943 XVIII	The Mines Maternity Benefit (Amendment) Act, 1943	The whole
1943 XIX	The Motor Vehicles (Drivers) Amendment Act, 1943	The whole
1943 XX	The Agricultural Produce (Grading and Marketing) Amendment Act, 1943	The whole
1943 XXI	The Indian Army and Indian Air Force (Amendment) Act, 1943	The whole
1943 XXII	The Reciprocity (Amendment) Act, 1943	The whole
1943 XXIV	The Delhi University (Amendment) Act, 1943	The whole
1943 XXV	The Victoria Memorial (Amendment) Act, 1943	The whole
1943 XXVI	The Criminal Procedure (Amendment) Act, 1943	The whole
1943 XXVII	The Code of Criminal Procedure (Amendment) Act, 1943	The whole
1943 XXVIII	The Code of Criminal Procedure (Second Amendment) Act, 1943	The whole
1943 XXIX	The Indian Tea Control (Second Amendment) Act, 1943	The whole
1943 XXX	The Indian Companies (Amendment) Act, 1943	The whole
1944 I	The Central Excise and Salt Act, 1944	Section 39 and the Third Schedule.
1944 II	The Coffee Market Expansion (Amendment) Act, 1944	The whole
1944 III	The Coal Mines Safety (Stowing) Amendment Act, 1944	The whole
1944 IV	The Indian Companies (Amendment) Act, 1944	The whole
1944 V	The Indian Aircraft (Amendment) Act, 1944	The whole
1944 VI	The Transfer of Property (Amendment) Act, 1944	The whole
1944 VII	The Insurance (Amendment) Act, 1944	The whole
1944 VIII	The Cantonments (Amendment) Act, 1944	The whole
1944 IX	The Indian Merchant Shipping (Amendment) Act, 1944	The whole
1944 XI	The Indian Income-tax (Amendment) Act, 1944	The whole
1944 XII	The Delhi Muslim Wakfs (Amendment) Act, 1944	The whole

*Acts of the Central Legislature—consolid.*

1944	XIII	The Protective Duties Continuation Act, 1944	The whole
1944	XV	The Indian Patents and Designs (Temporary Amendment) Act, 1944	The whole
1944	XVI	The Coffee Market Expansion (Second Amendment) Act, 1944	The whole
1944	XVII	The Delhi Joint Water and Sewage Board (Amendment) Act, 1944	The whole
1945	I	The Indian Tea Control (Amendment) Act, 1945	The whole
1945	II	The Code of Criminal Procedure (Amendment) Act, 1945	The whole
1945	IV	The Indian Companies (Amendment) Act, 1945	The whole
1945	V	The Indian Merchandise Marks (Amendment) Supplementary Act, 1945	The whole
1945	VI	The Repealing and Amending Act, 1945	The whole
1945	VII	The Indian Army (Amendment) Act, 1945	The whole
1945	VIII	The Indian Air Force (Amendment) Act, 1945	The whole
1945	IX	The Indian Patents and Designs (Amendment) Act, 1945	The whole
1945	X	The Mines Maternity Benefit (Amendment) Act, 1945	The whole
1945	XI	The Aligarh Muslim University (Amendment) Act, 1945.	The whole

*Ordinances made by the Governor General*

1940	II	The National Service (Technical) Personnel Ordinance, 1940	The whole
1940	VIII	The Civic Guards Ordinance, 1940	The whole
1942	X	The Civil Pioneer Force Ordinance, 1942	The whole
1942	XIII	The Women's Auxiliary Corps Ordinance, 1942	The whole
1942	XV	The Prisoners (Amendment) Ordinance, 1942	The whole
1942	XXII	The Deputy Commander-in-Chief (Powers) Ordinance, 1942	The whole
1942	XXXIII	The Civil Services (Conditions of Service) Ordinance, 1942	The whole
1942	LIII	The Railways (Employment of Military Personnel) Ordinance, 1942	The whole
1942	LVI	The Allied Forces Ordinance, 1942	The whole
1942	LVII	The Allied Forces (United States of America) Ordinance, 1942	The whole
1942	LXII	The Indian Legislature (Prevention of Disqualification) Ordinance, 1942	The whole
1943	I	The Enemy Agents Ordinance, 1943	The whole
1943	VI	The Indian Standard Time (Interpretation of References) Ordinance, 1943	The whole
1943	XIII	The Essential Services (Telephone Employees) Ordinance, 1943	The whole
1943	XVII	The Royal Indian Navy (Powers of Command) Ordinance, 1943	The whole
1943	XXI	The Parole Centres Ordinance, 1943	The whole
1943	XXII	The Special Police Establishment (War Department) Ordinance, 1943	The whole

*Ordinances made by the Governor General—contd.*

1943	XXIV	The Discipline of Seamen Ordinance, 1943	The whole
1943	XXVIII	The Allied Forces (Exemption from Local Taxation) Ordinance, 1943	The whole
1943	XXXI	The Factories (Control of Dismantling ) Ordinance, 1943	The whole
1943	XXXIII	The Military Stores (Unlawful Possession) Ordinance, 1943	The whole
1943	XXXV	The Hoarding and Profiteering Prevention Ordinance, 1943	The whole
1943	XLI	The Sugar (Temporary Excise Duty) Ordinance, 1943	The whole
1944	IV	The Military Safety (Powers of Detention) Ordinance, 1944	The whole
1944	XX	The Service in Ships (Requisition) Ordinance, 1944	The whole
1944	XXXI	The Indian Army (Second Amendment) Ordinance, 1944	So much as is not repealed
1944	XXXV	The Defence of India (Second Amendment) Ordinance, 1944	The whole
1944	L	The Sugar (Temporary Excise Duty) Ordinance, 1944	The whole
1945	I	The Factories (Control of Dismantling) Amendment Ordinance, 1945	The whole
1945	II	The National Service (European British Subjects) Amendment Ordinance, 1945	The whole
1945	III	The Delhi Rent Control (Amendment) Ordinance, 1945	The whole
1945	IV	The Military Safety (Powers of Detention) Amendment Ordinance, 1945	The whole
1945	VIII	The Essential Services (Dibru Sadiya and Colliery Branch Railways) Ordinance, 1945	The whole
1945	IX	The Indian Income-tax (Amendment) Ordinance, 1945	The whole
1945	XI	The Provincial Debt Laws (Temporary Validation) Ordinance, 1945	The whole
1945	XII	The Criminal Law (1943 Amendment) Amending Ordinance, 1945	The whole
1945	XIV	The Criminal Law (1944 Amendment) Amending Ordinance, 1945	The whole
1945	XVI	The Income-tax and Excess Profits Tax (Validity of Notices) Amendment Ordinance, 1945	The whole
1945	XVII	The Mines (Amendment) Ordinance, 1945	The whole
1945	XVIII	The Explosives (Amendment) Ordinance, 1945	The whole
1945	XX	The Excess Profits Tax (Amendment) Ordinance, 1945	The whole
1945	XXI	The Refugee Camps Ordinance, 1945	The whole
1945	XXII	The Criminal Law (1943 Amendment) Second Amending Ordinance, 1945	The whole
1945	XXV	The Defence of India (Amendment) Ordinance, 1945	The whole
1945	XXVII	The Civil Pioneer Force (Amendment) Ordinance, 1945	The whole
1945	XXXI	The Defence of India (Amendment) Ordinance, 1945	The whole

*Ordinances made by the Governor General—concl'd.*

1945	XXXV	The Defence of India (Third Amendment) Ordinance, 1945	The whole
1945	XXXVI	The Armed Forces (Special Powers) Amendment Ordinance, 1945	The whole
1945	XXXVII	The Indian Army (Amendment) Ordinance, 1945	The whole
1945	XXXVIII	The National Service (European British Subjects) Amendment Ordinance, 1945	The whole
1945	XXXIX	The Bills of Exchange Ordinance, 1945	The whole
1945	XLI	The War Injuries (Compensation Insurance) Amendment Ordinance, 1945	The whole
1945	XLII	The Indian Army and Indian Air Force (Amendment) Ordinance, 1945	The whole
1945	XLIII	The Hoarding and Profiteering Prevention (Amendment) Ordinance, 1945	The whole
1945	XLIV	The Defence of India Reserve (Disbandment) Ordinance, 1945	The whole
1945	XLV	The Defence of India (Fourth Amendment) Ordinance, 1945	The whole
1945	XLVIII	The Indian Army (Second Amendment) Ordinance, 1945	The whole
1946	XI	The Defence of India (Amendment) Ordinance 1946	The whole
1946	XII	The Defence of India (Second Amendment) Ordinance, 1946	The whole



1. 1st Jan. 1949, See Notifn. No. F-3 (43) - 21/48, dt. 18-10-48, G. O. S. Ex. 1948  
P. 1657.

See India Code

## Act No. LXII of 1948

Vol. I

[PASSED BY THE DOMINION LEGISLATURE]

(Received the assent of the Governor General on the 23rd September 1948)

An Act to bring the share capital of the Reserve Bank of India into public ownership and to make consequential amendments in the Reserve Bank of India Act, 1934.

**W**HEREAS it is expedient to bring the share capital of the Reserve Bank of India into public ownership, to make provisions with respect to the relations between the Central Government and the Bank and to make consequential amendments in the Reserve Bank of India Act, 1934 (II of 1934);

It is hereby enacted as follows:—

1. **Short title.**—This Act may be called the Reserve Bank (Transfer to Public Ownership) Act, 1948.

2. **Definitions.**—In this Act,—

(a) "appointed day" means such day as the Central Government may, by notification in the official Gazette, appoint;

(b) "Bank" means the Reserve Bank of India as constituted by the principal Act; and

(c) "principal Act" means the Reserve Bank of India Act, 1934 (II of 1934).

3. **Transfer of bank shares.**—(1) On the appointed day—

(a) all shares in the capital of the Bank shall by virtue of this Act be deemed to be transferred free of all trusts, liabilities and encumbrances to the Central Government, and

(b) as full compensation therefor, the Central Government shall issue to every person who, immediately before the appointed day, is registered as the holder of any such shares, an amount calculated at the rate of one hundred and eighteen rupees and ten annas per share, in promissory notes of the Central Government bearing interest at the rate of three per centum per annum repayable at par on such date as may be specified in this behalf by the Central Government:

Provided that where the amount so calculated is not an exact multiple of one hundred rupees the amount in excess of the nearest lower multiple of one hundred rupees shall be paid by cheque drawn on the Bank:

Provided further that in respect of any share obtained at par from the Central Government by any Director of the Bank in pursuance of subsection (8) of section 4 of the principal Act as in force immediately before the appointed day, the said amount shall be calculated at the rate of one hundred rupees per share.

(2) Notwithstanding the transfer of shares effected by this section any shareholder who, immediately before the appointed day, is entitled to payment of dividend on the shares held by him shall be entitled to receive from the Bank—

(a) all dividends accruing due on his shares in respect of the year ending on the 30th day of June, 1948, or any preceding year remaining unpaid on the appointed day;

(b) dividends calculated at the rate of four rupees per annum per share in respect of the period from the 1st day of July, 1948, to the appointed day.

Act No. LXII of 1948

**4. Vacation of office by existing office bearers.**—On the appointed day any person who immediately before that day was holding office as a Director of the Central Board otherwise than as Governor or Deputy Governor or as a member of a Local Board of the Bank shall vacate his office, and the Central Board and the Local Boards of the Bank shall thereafter be constituted in the manner prescribed by sections 8 and 9 of the principal Act as amended by this Act.

**5. Interim arrangements.**—Pending the constitution of the Central Board under section 8 of the principal Act as amended by this Act, the Governor of the Bank, or in his absence a Deputy Governor of the Bank duly nominated by him in this behalf, may, subject to such restrictions and conditions as may from time to time be imposed by the Central Government, exercise all powers, and do all acts and things which may be exercised or done by the Bank.

**6. Rule-making power.**—(1) The Central Government may, by notification in the official Gazette, make rules for the purpose of giving effect to the objects of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide—

(a) for the manner in which and the authority by which compensation shall be paid under section 3; and

(b) for the determination of persons to whom compensation is so payable.

*Rep. by Act 35 of 1950, S. 2 & Sch.* **7. Amendments to Act II of 1934.**—As from the appointed day, the Reserve Bank of India Act, 1934 (II of 1934), shall be amended in the manner direct in the Schedule to this Act.

#### THE SCHEDULE

(See section 7)

*Amendments to the Reserve Bank of India Act, 1934:*

Section 2.—In clause (d), omit "silver".

Chapter II.—In the heading for "SHARE CAPITAL" substitute "CAPITAL".

For section 4 substitute the following, namely:—

"4. Capital of the Bank.—The capital of the Bank shall be five crores of rupees."

Omit section 5.

For section 7 substitute the following, namely:—

"7. Management.—(1) The Central Government may from time to time give such directions to the Bank as it may, after consultation with Governor of the Bank, consider necessary in the public interest.

(2) Subject to any such directions, the general superintendence and direction of the affairs and business of the Bank shall be entrusted to Central Board of Directors which may exercise all powers, and do all acts and things which may be exercised or done by the Bank.

(3) Save as otherwise provided in regulations made by the Central Board, the Governor shall have full powers to transact all the business of the Bank which may be transacted by the Central Board."

Section 8.—

(i) for sub-section (1) substitute the following, namely:—

"(1) The Central Board shall consist of the following directors, namely:—

(a) a Governor and two Deputy Governors to be appointed by the Central Government;

(b) four Directors to be nominated by the Central Government, one from each of the four Local Boards as constituted by section 9;

(c) six Directors to be nominated by the Central Government; and

(d) one Government official to be nominated by the Central Government.”;

(ii) for the second paragraph of sub-section (4) substitute the following, namely:—

“A Director nominated under clause (c) of sub-section (1) shall, subject to the provisions of sub-section (6), hold office for a period of four years.”;

(iii) after sub-section (5), the following sub-sections shall be added, namely:—

“(6) Out of the six Directors first nominated under clause (c) of sub-section (1), two shall retire at the end of one year, two at the end of two years and the last two at the end of three years, the Directors so to retire being determined by lot.

(7) A retiring Director shall be eligible for re-nomination”.

For section 9 substitute the following, namely:—

“9. **Local Boards, their constitution and functions.**—(1) A Local Board shall be constituted for each of the four areas specified in the First Schedule and shall consist of five members to be appointed by the Central Government to represent, as far as possible, territorial and economic interests and the interests of co-operative and indigenous banks.

(2) The members of the Local Board shall elect from amongst themselves one person to be the chairman of the Board.

(3) The members of the Local Board shall hold office for a term of four years and shall be eligible for re-appointment.

(4) A Local Board shall advise the Central Board on such matters as may be generally or specifically referred to it and shall perform such duties as the Central Board may delegate to it.”

Section 11.—

(i) in sub-section (1) for “nominated or elected”, substitute “other” and omit the proviso;

(ii) for sub-section (2) substitute the following, namely:—

“(2) A Director nominated under clause (b) or clause (c) of sub-section (1) of section 8 shall cease to hold office if without leave from the Central Board he absents himself from three consecutive meetings of the Board convened under sub-section (1) of section 13.”;

(iii) in sub-section (5) the words “appointment” and “or election” in two places shall be omitted.

Section 12.—

(i) omit sub-section (2);

(ii) in sub-section (3), omit the words “otherwise than by the occurrence of a vacancy in the office of a Director elected by the Local Board”, and the word “qualified”, and for the word “elected” substitute the word “other”;

(iii) in sub-section (4), for the words commencing with “in the case of a nominated Director” and ending with the words “for the election of members of a Local Board” substitute the words “by the Central Government”;

(iv) in sub-section (5), omit “or elected” and “subject to the proviso contained in sub-section (2)”.

Omit sections 14, 15 and 16.

In clause (3) of section 17,—

(i) in sub-clause (a), for the word "sterling" substitute the words "foreign exchange";

(ii) in sub-clause (b), for the words "the United Kingdom" substitute the words "any country outside India which is a member of the International Monetary Fund";

(iii) omit sub-clause (c).

Section 18.—

(i) in the first paragraph, omit the words "or, where the powers and functions of the Central Board under this section have been delegated to a committee of the Central Board or to the Governor, in the opinion of such Committee or of the Governor, as the case may be,";

(ii) in clause (2) for the word "sterling" substitute the words "foreign exchange"; and

(iii) omit the proviso.

Section 24.—After the words "denominational values of" insert the words "two rupees,".

Section 33.—

(i) In sub-sections (1) and (2), for the words "sterling securities" substitute the words "foreign securities";

(ii) for sub-section (6), substitute the following, namely:—

"(6) For the purposes of this section, the foreign securities which may be held as part of the assets shall be securities of the following kinds payable in the currency of any foreign country which is a member of the International Monetary Fund, namely:—

(a) balances at the credit of the Issue Department with the bank which is the principal currency authority of that foreign country, or, if there is no such bank, with any bank incorporated in that foreign country;

(b) bills of exchange bearing two or more good signatures and drawn on and payable at any place in that foreign country and having a maturity not exceeding ninety days; and

(c) Government securities of that foreign country maturing within five years."

Omit section 35.

Section 39.—In sub-section (2) for the word "five" substitute the word "two".

For section 47, substitute the following, namely:—

"47. **Allocation of surplus profits.**—After making provision for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds and such other contingencies as are usually provided for by bankers, the balance of the profits shall be paid to the Central Government."

Section 48.—Omit the proviso to sub-section (1) and omit sub-section (2).

For section 50 substitute the following, namely:—

"50. **Auditors.**—(1) Not less than two auditors shall be appointed, and their remuneration fixed, by the Central Government.

(2) The auditors shall hold office for such term not exceeding one year as the Central Government may fix while appointing them, and shall be eligible for re-appointment."

**Section 51.**—Omit the words "or such auditors as it thinks fit".

Section 52.—In sub-section (2), omit the words "to the shareholders or", "as the case may be" and "Any such report made to the shareholders shall be read, together with the report of the Central Board, at the annual general meeting".

**Section 53.**—Omit sub-section (3).

Omit sections 55 and 56.

Section 57.—Omit sub-section (2).

Section 58.—In sub-section (2), omit clauses (a) to (e) inclusive.

For the First Schedule substitute the following, namely:—

"THE FIRST SCHEDULE.

(See section 9)

1. THE WESTERN AREA shall consist of the Province of Bombay, the Central Provinces and Berar, Hyderabad, Baroda, Kutch, the United State of Kathiawar (Saurashtra), Kolhapur, the United State of Gwalior, Indore and Malwa (Madhya Bharat), Bhopal, the Acceding States administered by the Government of Bombay and the Acceding States administered by the Government of the Central Provinces and Berar.

2. THE EASTERN AREA shall consist of West Bengal, Bihar, Orissa, Assam, the Andaman and Nicobar Islands, Manipur, Cooch Behar, Tripura, Mavurhhanj, the United State of Vindhya Pradesh, the Khasi States, the Acceding States administered by the Government of Bihar and the Acceding States administered by the Government of Orissa.

8. THE NORTHERN AREA shall consist of the United Provinces, East Punjab, Delhi, Aimer-Merwara, Panth Piploda, Kashmir, Himachal Pradesh, Patiala and the East Punjab States Union, Bilaspur, Tehri-Garhwal, Rampur, Banaras, the United State of Rajasthan, the United State of Matsya, Jaisalmer, Jodhpur, Bikaner, Jaipur, and the Acceding States administered by the Government of East Punjab.

4. THE SOUTHERN AREA shall consist of the Province of Madras, Coorg, Mysore, Cochin, Travancore, Sandur and the Acceding States administered by the Government of Madras."

Omit the Fourth Schedule.