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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके ।
Separate paging is given to this Part in order that it may be filed as a separate compilation

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 19th December, 1988/Agrahayana 28, 1910 (Saka)

The following Act of Parliament received the assent of the President on the 16th December, 1988, and is hereby published for general information:—

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 commencement.

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 date 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

Amendment 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.

Amendment 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.

Insertion of new Chapter XVII.

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

'CHAPTER XVII

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

Dishonour of cheque for insufficiency, etc., of funds in the account.

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:

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.

Presumption in favour of holder.

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.

Defence which may not be allowed in any prosecution under section 138.

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.

Offences by companies.

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.

Cognizance 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

Amendment 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.

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

CHAPTER IV

AMENDMENTS TO THE BANKING REGULATION ACT, 1949

Amendment of section 11.

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. 10 of 1949.

Amendment of section 29.

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

(*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 "that year", the words "that 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,— Amendment 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.

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 section 51.

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. Amendment of Third Schedule.

CHAPTER V

AMENDMENTS TO THE STATE BANK OF INDIA ACT, 1955

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

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.

Amendment of section 21A.

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.".

Amendment of section 39.

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 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.".

Amendment 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.

Amendment 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.

Amendment 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

Amendment 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.

Amendment 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.

Amendment of section 39.

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 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.".

Amendment of section 43.

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.

Amendment of section 44.

22. In section 44 of the Subsidiary Banks Act, in sub-section (*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.

Amendment of section 63.

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

Amendment of section 6.

47 of 1961.

24. 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;

(*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;".

Amendment 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.".

Amendment 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

Amendment of section 6.

18 of 1964.

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:—

"(*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.".

Amendment of section 18.

28. In section 18 of the Development Bank Act, in sub-section (2), 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 21.

29. In section 21 of the Development Bank Act, in sub-section (2), 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.".

CHAPTER IX

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

Amendment of section 3.

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. 5 of 1970

Amendment of section 9.

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:—

'*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*),— **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.".

CHAPTER X

AMENDMENTS TO THE REGIONAL RURAL BANKS ACT, 1976

21 of 1976.

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*),— **Amendment of section 19.**

(*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.".

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. **Amendment of section 30.**

CHAPTER XI

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

40 of 1980.

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 **Amendment of section 3**

words "rupees one hundred crores", the words "rupees five hundred crores" shall be substituted.

Amendment 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:—

'*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.'. 5 of 1970

Amendment of section 10.

37. 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;

(*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.".

Amendment of section 19.

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.

CHAPTER XII

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

Amendment of section 6.

39. In section 6 of the Export-Import Bank of India Act, 1981 (hereafter in this chapter referred to as the Exim Bank Act), 28 of 1981.—

(*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.

Amendment 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.".

Amendment 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.".

Amendment 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

Amendment of section 5.

61 of 1981.

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:—

"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.".

Amendment 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*).".

Amendment of section 7.

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

(*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.".

Amendment of section 46.

46. In section 46 of the National 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 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

Amendment of section 10.

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:— 62 of 1984.

"(*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 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.

S. RAMAIAH,
Secy. to the Govt. of India.

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