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PART VI.

BILLS OF THE GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Bill was introduced into the Council of the Governor-General of India for the purpose of making Laws and Regulations on the 14th December 1875, and was referred to a Select Committee with instructions to make their report thereon in two months:—

Bill No. 14 of 1875.

THE PRESIDENCY BANKS BILL, 1876.

CONTENTS.

A Bill for constituting and regulating the Banks of Bengal, Madras, and Bombay.

Preamble.

WHEREAS the Bank of Bengal is now constituted and regulated by Act No. IV. of 1862, as amended by Acts No. VI. of 1862 and No. XIX. of 1870, and its capital consists of twenty-two millions of rupees, in shares of one thousand rupees each;

And whereas the Bank of Madras is now constituted and regulated by Madras Act No. VI. of 1866, as amended by Madras Act No. I. of 1871, and its capital consists of five millions six hundred and twenty-five thousand rupees, in shares of one thousand rupees each;

And whereas a Bank named the Bank of Bombay was constituted and regulated by Bombay Act No. X. of 1863, as amended by Bombay Acts No. XV. of 1866 and No. I. of 1867; but such Bank has been wound up and the said Bombay Acts are now obsolete and should be expressly repealed;

And whereas on the tenth day of December 1867, a joint-stock Banking Company was registered and incorporated at Bombay, by virtue of the Indian Companies' Act, 1866, under the name of "The New Bank of Bombay, Limited," with a Memorandum of Association and Articles of Association then also registered, and prescribing the constitution and regulations for the management of such Bank;

And whereas the Government of India now holds two thousand two hundred shares in the said Bank of Bengal, and five hundred and sixty-two and a half shares in the said Bank of Madras; and, under the provisions of the said Acts, No. IV. of 1862 and Madras Act No. VI. of 1866, is bound to appoint, and has power to remove, certain of the directors of the said Banks of Bengal and Madras respectively, and has also power to give a proxy to any person whom the Governor General in Council may appoint, to attend and vote at any meeting of the proprietors of each of the same Banks;

And whereas the Government of India has determined to sell its said shares and to surrender its said powers; and it is expedient to relieve the said Government from the said duty of appointing directors and to repeal the said enactments and to consolidate such of them as relate to the said Banks of Bengal and Madras respectively with the changes rendered necessary or desirable by such sale, surrender and relief;

And whereas it is expedient to reduce the said capital of the Bank of Bengal by two millions of rupees (being the nominal value of two thousand of the two thousand two hundred shares in the same Bank so held by the Government of India) and to reduce the said capital of the Bank of Madras by five hundred and sixty-two thousand five hundred rupees (being the nominal value of the shares in the same Bank so held by the Government of India), and to divide the capital so reduced of each of the said Banks into shares of five hundred rupees each;

And whereas it is expedient that the said New Bank of Bombay, Limited, should be re-constituted and regulated, in manner in this Act provided, under the name of the Bank of Bombay:

It is hereby enacted as follows:—

CHAPTER I.

Preliminary.

Short title.

1. This Act may be called "The Presidency Banks Act, 1876;"

Commencement.

And it shall come into force on the *first* day of *March* 1876.

Repeal of enactments.

2. On and from that day the enactments specified in the schedule hereto annexed shall be repealed to the extent mentioned in the third column of such schedule. But all bye-laws and regulations made under any such enactment, and then in force, shall, so far as they are consistent with this Act, be deemed to have been made hereunder.

References in Act X. of 1866.

The references made in the Indian Companies' Act, 1866, to the Bank of Bengal, the Bank of Madras and the Bank of Bombay, shall be deemed to be made respectively to the Bank of Bengal, the Bank of Madras and the Bank of Bombay as constituted by this Act.

Interpretation clause.

3. In this Act, unless there be something repugnant in the subject or context—

"The Bank" means the Bank of Bengal, the Bank of Madras, or the Bank of Bombay (as the case may be), as constituted and regulated by this Act:

"Capital" means the capital from time to time of the Bank:

"Shares" means the shares from time to time of the capital, and includes also half shares:

"Capital Stock" means that part of the capital into which wholly paid-up shares have been converted or consolidated, and in the case of the Bank of Bengal and the Bank of Madras includes the present consolidated stock of such Banks respectively:

"Registered" means registered in the books of the Bank:

"Shareholders" means the duly registered holders from time to time of the shares of the Bank:

"Proprietors" means the duly registered holders from time to time of the capital stock of the Bank:

"Directors" means the Directors from time to time of the Bank, or, as the case may be, the Directors assembled at a Board:

"Board" means a meeting of the Directors duly called and constituted, or, as the case may be, the Directors assembled at a Board:

"Auditors" and "Secretary and Treasurer" mean those respective officers from time to time of the Bank, and "Secretary and Treasurer" includes a Deputy Secretary:

"General Meeting" means the meeting of proprietors or shareholders or both, held annually under section forty-nine; it includes any adjourned holding thereof:

"Special Meeting" means a meeting of proprietors or shareholders or both held for the transaction of some particular business specified in the notice convening the meeting; it includes any adjourned holding thereof:

"Special Resolution" means a resolution passed at a special meeting:

"Office" means the office or principal office for the time being of the Bank:

"Goods" includes also bullion, wares and merchandize:

"Presidency of Fort St. George" means the territories now under the government of the Governor of Fort St. George in Council:

"Presidency of Bombay" means the territories now under the government of the Governor of Bombay in Council; and

"Presidency of Fort William" means all the territories in British India other than the Presidency of Fort St. George and the Presidency of Bombay.

CHAPTER II.

CONSTITUTION.

Proprietors and shareholders of present Banks to form bodies corporate.

4. The several persons who, when this Act comes into force, are respectively the proprietors and shareholders of the said Bank of Bengal, Bank of Madras and New Bank of Bombay, Limited (hereinafter called the present Banks), or who shall, at any time thereafter, by virtue of this or any other Act regulating the Bank, become proprietors or shareholders, shall continue and constitute and be bodies corporate with perpetual succession, under the name,

in the case of the proprietors and shareholders of the said Bank of Bengal—of "The Bank of Bengal,"

in the case of the proprietors and shareholders of the said Bank of Madras—of "The Bank of Madras,"

and in the case of the shareholders and proprietors of the said New Bank of Bombay, Limited—of "The Bank of Bombay,"

and shall respectively possess and enjoy all the rights, powers and immunities incident by law to a corporation aggregate; subject, nevertheless, to the provisions of this or any other Act for the time being in force regulating the Bank.

Proprietors and shareholders of present Banks to be proprietors and shareholders of new Banks.

The several persons who are then proprietors and shareholders of each of the present Banks of Bengal and Madras, or the executors or administrators of such proprietors and shareholders respectively, shall be entitled to be registered as proprietors and holders of a like quantity of stock and a proportionate number of shares, as is or are then registered in their names respectively, or in the names of the persons whom they represent respectively in the books of each of the said present Banks of Bengal and Madras, two shares in the Bank of Bengal as constituted by this Act being deemed equivalent to one share in the present Bank of Bengal and two shares in the Bank of Madras as constituted by this Act being deemed equivalent to one share in the present Bank of Madras,

and the several persons who are then shareholders of the said New Bank of Bombay, Limited, or the executors or administrators of such shareholders respectively, shall be registered as holders of a like number of shares of the Bank of Bombay as constituted by this Act as are then registered in their names respectively, or in the names of the persons whom they represent respectively, in the books of the said New Bank of Bombay, Limited; and all such shares upon which the sum of five hundred rupees has then been paid, shall be deemed to have been fully paid up.

Property of present Banks to vest respectively in new Banks.

5. All the property, moveable and immoveable, and all the securities, claims and demands, and the benefits of all agreements, of or to which the present Banks are or shall be respectively possessed or entitled, or which shall, or but for this Act might be, on the said first day of *March* 1876, or might at any time thereafter have been, due to, or claimed or asserted by, the said Banks respectively shall, by virtue of this Act, become vested in and devolve upon, and may be claimed, made and recovered by,

in the case of the said Bank of Bengal,—the Bank of Bengal as constituted by this Act,

in the case of the said Bank of Madras,—the Bank of Madras as constituted by this Act,

and in the case of the said New Bank of Bombay, Limited,—the Bank of Bombay as constituted by this Act;

Claims against present Banks.

and the Bank shall, from and after the said first day of *March* 1876, be liable and subject to all debts, demands, claims and liabilities which shall then be claimable from, or which, but for this Act, might be then, or might at any time thereafter, have been due or claimable from, or made, claimed, or asserted against the said Bank of Bengal, Bank of Madras or New Bank of Bombay, Limited, as the case may be,

and no suit or legal proceeding then pending by or against the said Bank of Bengal, Bank of Madras or New Bank of Bombay, Limited, shall cease, or abate, or become defective, in consequence of this Act, but may be continued and prosecuted by or against the Bank.

New Bank of Bombay, Limited, wound up.

6. The transfer of the assets and liabilities of the said New Bank of Bombay, Limited, to the Bank of Bombay by virtue of this Act, shall operate as a winding up and liquidation of the said New Bank of Bombay, Limited.

No shareholder or creditor of the said New Bank of Bombay, Limited, shall take any proceedings for winding up the same under the Indian Companies' Act, 1866, or any Act for the time being in force relating to the winding up of Companies;

and no person shall make, assert or take any claims, demands or proceedings against the same Bank, or the directors or officers thereof, except so far as may be necessary for enforcing the provisions of this or any other Act for the time being in force regulating the Bank of Bombay.

Banks to sue and be sued in corporate name,

7. The Bank shall sue and be sued by its said corporate name;

and use corporate seals;

and shall use such corporate seal as the directors from time to time appoint;

and may hold and transfer property.

and may as such body corporate, acquire and hold, either absolutely or conditionally, for a term or in perpetuity, any property whatsoever, moveable or immoveable, and transfer, assign and convey the same.

Seal how used.

8. The seal of the Bank shall not be affixed to any instrument except in the presence of at least two directors and of the Secretary and Treasurer, who shall sign their names to the instrument in

token of their presence, and such signing shall be independent of the signing of any person who may sign the instrument as a witness.

Unless so signed as aforesaid, such instrument shall be of no validity.

CHAPTER III.

Business.

Business which Banks may transact.

9. The Bank is authorized to carry on and transact the several kinds of business hereinafter specified (that is to say):

(*a*) the advancing and lending money, and opening cash-credits, upon the security of—

(1) promissory notes, debentures, stock and other securities of the Government of India;

(2) bonds, debentures and annuities charged by the Imperial Parliament on the revenues of India;

(3) stock or debentures of, or shares in, Railway or other Companies, the interest whereon shall have been guaranteed by the Government of India;

(4) debentures or other securities for money issued by, or on behalf of, any municipal body under the authority of any Act of an Indian legislature;

(5) goods which, or the documents of title to which, are deposited with, or assigned to, the Bank as security for such advances, loans or credits; and

(6) bills of exchange and other negotiable securities, which may be discounted in accordance with the provisions of section ten, paragraph (*e*):

Provided that such advances and loans may be made, if the directors think fit, to the Governor General in Council, without any specific security;

(*b*) the selling and realization of the proceeds of sale of any such promissory notes, debentures, stock receipts, bonds, annuities, stock, shares, securities, or goods which, or the documents of title to which, have been deposited with, or assigned to, the Bank as security for such advances, loans or credits, or which are held by the Bank, or over which the Bank is entitled to any lien or charge in respect of any such loan or advance or credit or any debt or claim of the Bank, and which have not been redeemed in due time in accordance with the terms and conditions (if any) of such deposit or assignment;

(*c*) the drawing, discounting, buying and selling of bills of exchange and other negotiable securities payable in India, or (in the case of the Bank of Madras) in Ceylon;

(*d*) the investing of the funds of the Bank upon any of the securities specified in paragraph (*a*) of this section, clauses (1), (2), (3) and (4),

and from time to time altering, converting and transposing such investments for or into others of the investments above specified;

(*e*) the making, issuing and circulating of bank post-bills and letters of credit made payable in India, or (in the case of the Bank of Madras) in Ceylon, to order, or otherwise than to the bearer on demand;

(*f*) the buying and selling of bullion;

(*g*) the receiving of deposits and keeping cash-accounts on such terms as may be agreed on;

(*h*) the selling of all property, whether moveable or immoveable, which may in any way come into the possession of the Bank in satisfaction or part satisfaction of debts and claims or otherwise;

(*i*) the transacting of pecuniary agency business on commission;

(*j*) the acting as agent on commission in the transaction of the following kinds of business (namely) :—

(1) the buying and the taking charge of any Government or other securities, or shares in any Railway, Bank, Joint Stock, or other public Company;

(2) the receiving of the interest or dividends on any securities or shares;

(3) the purchase of any securities or shares;

(4) the sale or transfer of any securities or shares, or the receipt of any principal money that may be payable thereon;

(5) the investment of the principal and interest and dividends so received, or the proceeds of such sale as last aforesaid, upon any securities or shares, or, according to the instructions of its constituents, the holding or paying such principal, interest, dividends or proceeds, or at the risk of such constituents, to remit the same by public or private bills of exchange, either payable in India or in Great Britain or Ireland, or elsewhere, and the doing of all acts necessary or proper for the purpose of effecting such remittances;

(*k*) the drawing of bills of exchange, and the granting of letters of credit, payable out of India, for the use of its constituents for the purpose of the remittances mentioned in the last preceding clause of this section;

(*l*) the buying, for the purpose of meeting such bills or letters of credit, of bills of exchange payable out of India, at any usance not exceeding six months.

(*m*) It shall also be lawful for the Bank under any arrangement or agreement with the Governor General in Council on behalf of the Secretary of State in Council

(1) to act as banker for, and to pay, receive, collect and remit money, bullion and securities on behalf of, the Government;

(2) to undertake and transact any other business which the Government may from time to time entrust to the Bank;

And the directors shall have power from time to time to arrange and settle with the Governor General in Council the terms of remuneration on which such business shall be undertaken by the Bank, and also as to the examination and audit from time to time of the accounts and affairs of the Bank by or on behalf of the Governor General in Council.

10. The directors shall not transact any kind of banking business other than those above specified, and in particular they shall not make any loan or advance—

Business which Banks may not transact.

(*a*) for a longer period than three months; or

(*b*) upon the security of stock or shares of the Bank of which they are directors; or

(*c*) upon mortgage, or in any other manner upon the security, of any immoveable property, or the documents of title relating thereto.

(*d*) Nor shall they lend or advance, by discount of bills or otherwise, to any individual or partnership firm (except upon the security mentioned in section nine, paragraph (*a*), numbers (1) to (5) inclusive), any sums of money exceeding at any one time six hundred thousand rupees in the whole.

(*e*) Nor shall they discount any negotiable security of any individual or partnership firm, payable in the town or at the place where it is presented for discount, which does not carry on it the several responsibilities of at least two persons or firms unconnected with each other in general partnership.

(*f*) Nor shall they discount any negotiable security having a longer period to run than three months: provided that, in the case of the Bank of Madras, the directors may discount negotiable securities payable in Ceylon having a period to run not exceeding four months.

11. Until the expiration of at least fourteen days after notice has been given by notification of the Governor General in Council published, in the case of the Bank of Bengal, in the *Gazette of India* and the *Calcutta Gazette*, and in the cases of the Bank of Madras and the Bank of Bombay, in the local official Gazette, that the Bank will no longer act as banker for, or pay, receive, collect or remit money, bullion and securities on behalf of, the Government,

Sums payable by or to Government to be payable at Banks.

all sums payable by or to the Secretary of State for India in Council, or by or to the Governor General in Council, or the Government of Bengal or the Governor of Fort St. George in Council or the Governor of Bombay in Council, on behalf of the Secretary of State for India in Council, at the General Treasury of Fort William in Bengal, or at the General Treasury at Madras, or at the General Treasury at Bombay,

shall be payable—

in the case of the Secretary of State for India in Council, or the Governor General in Council—at the office of the Bank of Bengal, the Bank of Madras, or the Bank of Bombay, as the case may be,

in the case of the Government of Bengal—at the office of the Bank of Bengal;

in the case of the Governor of Fort St. George in Council—at the office of the Bank of Madras; and

in the case of the Governor of Bombay in Council—at the office of the Bank of Bombay.

12. Whenever presentment of any promissory note, bond or other security for payment or any other purpose at any of the said General Treasuries would heretofore have been necessary or sufficient, presentment for such purpose shall be necessary or sufficient (as the case may be) until the expiration of fourteen days after the giving of the notice mentioned in section eleven—

Presentment of promissory notes at Banks.

in the case of the General Treasury of Fort William—at the office of the Bank of Bengal;

in the case of the General Treasury at Madras—at the office of the Bank of Madras; and

in the case of the General Treasury at Bombay—at the office of the Bank of Bombay.

Nothing in this section shall render it necessary to present at the office of the Bank of Bengal, the Bank of Madras, or the Bank of Bombay any security which need not have been presented at one of the said General Treasuries.

13. The office of the Bank of Bengal shall be at Calcutta, that of the Bank of Madras shall be at Madras, and that of the Bank of Bombay shall be in the Island of Bombay;

Place of business.

and the business of the Bank shall be carried on at its office, and, subject to the provisions of section fifteen, at such other place or places in India as the Board may deem advisable.

14. For the purpose of providing offices and places in and at which to carry on and manage the business of the Bank, the directors may—

Acquisition of business premises.

(*a*) hire, take, or acquire by purchase, lease or otherwise, lands, houses or buildings, on such terms, as they may from time to time think advisable;

(*b*) build on any land hired, taken or acquired as aforesaid, or pull down, alter, remove, or convert any such houses or buildings, and erect and build other houses and buildings in lieu thereof on any such land;

(*c*) fit up, furnish, repair and insure against loss by fire all or any of such houses or buildings; and let, or give possession of, the whole or any part of the same, whether fitted up or furnished, or otherwise, to such person, and on such terms as they consider advisable with regard to the interests of the Bank, and the promotion or carrying on of its business;

(*d*) sell and buy in any such lands, houses or buildings as aforesaid, and re-sell the same, and otherwise deal with all or any part of the same as they may consider most conducive to the interests of the Bank.

15. It shall be lawful for the directors to maintain as branches or agencies of the Bank, any branches or agencies of the present Banks, which may be in existence on the *first* day of *March* 1876,

Establishment of branches and agencies.

and, from time to time, to establish branches or agencies at such places within the Presidency in which the Bank is situate as they deem advantageous to the interest of the Bank, and, with the previous consent of the Governor General in Council and subject to such restrictions as to the business to be transacted as he thinks fit in each case to impose (such consent and restrictions being notified in the *Gazette of India*,) to establish branches or agencies at such places outside the Presidency in which the Bank is situate, as the directors deem advantageous for the interests of the Bank:

Proviso.

Provided that the agency of the Bank of Bengal now established in Bombay shall not advance or lend money, or open cash-credits on securities, or receive deposits and keep cash-accounts, or discount bills of exchange drawn and payable in the Presidency of Bombay,

and shall not act as agent on commission, or transact any business except as agent of the same Bank or any of its branches or other agencies.

The directors may discontinue any branch or agency maintained or established under this section.

Power to purchase business of other Banks.

16. The directors may, if authorized to do so by a special resolution, from time to time, purchase the business of any other Bank in British India, of which the capital is divided into shares, upon such terms as may be agreed on in each case, and may pay for any business so purchased either in cash, or in shares, or partly in cash or partly in shares, and, for that purpose, may increase, within the limits prescribed by section seventeen, the capital of the Bank by the issue of such number of shares as may be determined on.

The shareholders or proprietors of the purchased Bank to whom such new shares are allotted shall be shareholders of the Bank, and be in all respects in the same position as if they had respectively subscribed and paid for the shares so allotted to them.

The business so purchased shall, after the purchase, be carried on by the Bank with, and subject to, the several restrictions contained in this Act.

CHAPTER IV.

CAPITAL.

Capital of Bank of Bengal.

17. The capital of the Bank of Bengal shall consist of twenty millions of rupees in shares of five hundred rupees each, divisible into half shares, with power to increase the same, in manner hereinafter provided, to thirty millions of rupees.

Capital of Bank of Madras.

The capital of the Bank of Madras shall consist of five millions sixty-two thousand five hundred rupees, in shares of five hundred rupees each, divisible into half shares, with power to increase the same, in manner hereinafter provided, to twelve millions of rupees.

Capital of Bank of Bombay.

The capital of the Bank of Bombay shall consist of ten millions of rupees in shares of five hundred rupees each, divisible into half shares, with power to increase the same, in manner hereinafter provided, to twenty millions of rupees.

Capital of New Bank of Bombay, Limited, to be capital of Bank of Bombay.

18. The capital of the said New Bank of Bombay, Limitited, already created, shall, on the *first* day of *March* 1876, constitute the capital of the Bank of Bombay, subject to be increased as aforesaid.

Surrender of paid-up shares for stock.

19. Any shareholder may from time to time surrender his wholly paid-up shares, or any of them, to the directors, and demand and receive from the Bank, in lieu thereof, capital stock to the like amount as represented by the shares so surrendered,

Surrender of stock for shares.

and any proprietor may from time to time surrender his stock, or any portion thereof, to the directors, and demand and receive from the Bank in lieu thereof shares to the like amount, or as near thereto as practicable.

Power to increase or reduce capital.

20. The proprietors and shareholders of the Bank may from time to time by special resolution and with the previous sanction of the Governor General in Council increase or reduce the capital of the Bank:

Provided that no such special resolution shall be deemed to have been passed, unless at least one-half in number of the shareholders or proprietors holding at least one-half of the paid-up capital of the Bank for the time being, be present in person or by proxy, and a majority poll by open voting in favour of the said resolution.

Procedure on resolution to increase capital.

21. When any such special resolution to increase the capital has been passed, the directors may, subject to the provisions of this or any other Act for the time being in force regulating such Bank, and to the special direction (if any) given in reference thereto by the meeting at which such resolution has been passed,

(*a*) make such orders as they think fit for the opening of subscriptions towards such increase of capital by the proprietors and shareholders;

(*b*) allow to the proprietors and shareholders such period to fill up the subscription as to the directors seems fit;

(*c*) prescribe the manner in which the proprietors and shareholders shall subscribe and pay into the Bank the proportions of new capital which they may respectively desire to subscribe; and

(*d*) make such orders as the directors think fit for the disposal and allotment of the amount of new capital that may not be subscribed for and paid up in manner aforesaid:

Provided that the capital, including any increase therein that may be made under section sixteen, shall not exceed, in the case of the Bank of Bengal, thirty millions of rupees, in the case of the Bank of Madras, twelve millions of rupees, and in the case of the Bank of Bombay, twenty millions of rupees.

Procedure on resolution to reduce capital.

22. When any such special resolution to reduce the capital has been passed, the directors may (subject as aforesaid) prescribe the manner in which the reduction shall be carried into effect.

23. Any new capital created under the provisions of section twenty shall be subject to the provisions of this or any other Act regulating the Bank in force for the time being.

New capital to be subject to provisions of Act.

CHAPTER V.

Forfeiture of Stock and Shares.

24. If any proprietor or shareholder become indebted to the Bank, the Bank may withhold payment of the dividends on the stock or shares of such proprietor or shareholder registered as his own property, and not as held in trust, or as executor or administrator, until payment of such debt, and apply such dividends in or towards payment thereof;

Powers in regard to proprietors or shareholders indebted to Bank.

and, after demand and default of payment, and notice in that behalf given to such proprietor or shareholder, or his constituted agent, or by public advertisement in the local official Gazette, the Bank may refuse to register the transfer of any such stock or shares until payment of such debt;

and, if the same remain unpaid for the space of three months after such notice, the Bank may advertise in the local official Gazette such stock or shares for sale on a day not less than fifteen days from the publication of such advertisement;

and may, on such day, sell by public auction such stock or shares, or so much or so many thereof as may be necessary, and apply the proceeds thereof in or towards payment of the said debt, with interest, from the day appointed for the payment of such debt to the time of actual payment, at such rate as may have been agreed upon, or, in the absence of such agreement, at the highest rate current for advances by way of local discounts by the Bank;

and shall pay over the surplus, if any, to such proprietor or shareholder or to his lawful representative;

and the purchasers of all stock or shares sold under this section shall upon payment of the consideration therefor be registered as proprietors or shareholders in respect of such stock or shares, and all such stock and shares shall be subject to the other provisions of this or any other Act regulating the Bank in force for the time being.

CHAPTER VI.

Certificates, Transfer and Transmission of Shares and Stock.

25. Every shareholder shall be entitled to a certificate, under the corporate seal of the Bank, and signed by two Directors and the Secretary and Treasurer, specifying the shares held by him, and in the case of shares which are not wholly paid up, the amount paid thereon,

Certificates for shares.

and any holder of more than one-half share may, at his option, demand a certificate for each such half share, or one or more certificates for all or any of such half shares, and such certificate or certificates shall be delivered to him accordingly: provided that the number of such certificates shall in no case exceed the number of half shares in respect of which they are so delivered.

Every proprietor of capital stock shall be entitled to a receipt signed by two directors and the Secretary and Treasurer, and specifying the amount of stock held by him and any such proprietor may, at his option, demand one receipt for the whole of the stock, or separate receipts for any portions of the stock, so held by him, and such receipt or receipts shall be delivered to him accordingly: Provided that no receipt shall be delivered for a portion of stock less than two hundred and fifty rupees.

Receipts for stock.

For every certificate and receipt delivered under this section there shall be paid such fee as may for the time being be prescribed under section sixty-three: Provided that no fee shall be payable for certificates or receipts delivered to the persons referred to in section four for shares in or stock of the Bank.

Fees for certificates and receipts.

Every such certificate and receipt shall be *primâ facie* evidence of the title of the shareholder or proprietor to the shares or stock therein specified.

Certificates and receipts to be evidence.

26. The stock and shares of every proprietor and shareholder shall be moveable property, capable of being transferred in manner provided by the regulations contained herein, or in any other Act regulating the Bank for the time being in force, and shall not be of the nature of immoveable property; and each share shall be distinguished by its appropriate number.

Stock and shares to be moveable property.

27. Every transfer of stock or shares shall be in such form as the Board from time to time may approve, and shall be presented to the Bank accompanied by such evidence as the Board may require to prove the title of the transferor.

Form of transfer to be approved by Board.

Every such transfer shall be verified in manner as the Board require, and the Board may refuse to register any such transfer until the same be so verified, and, in the case of shares not fully paid up, unless the transferree is approved by the Board.

Board may require evidence of transmission.

The Board may refuse to register any transfer of stock or shares registered as the property of any proprietor or shareholder and not as held in trust or as executor or administrator, whilst such proprietor or shareholder is either alone, or jointly with any other person, indebted to the Bank on any account.

Board may decline to register certain transfers.

Transferor to remain proprietor till transfer registered.

The transferor shall be deemed to remain the proprietor or holder of the stock or shares transferred until the name of the transferee is registered in respect thereof.

Power to close transfer-books.

28. The directors may from time to time close the register and transfer-books of the Bank for any period or periods not exceeding in the whole thirty days in any twelve consecutive months.

Corporation to consist of registered proprietors or shareholders only.

29. The proprietors and shareholders for the time being, and no other persons, shall be members respectively of the bodies corporate hereby constituted,

Notice of trust.

and, save as provided by section twenty-four, the Bank shall not be bound or affected by notice of any trust to which any stock or share may be subject in the hands of the proprietor or holder thereof;

Shares vested in several holders.

and when any stock or share is vested in more than one proprietor or holder, such proprietors or shareholders shall, as between themselves and the Bank, be considered as joint tenants with benefit of survivorship:

Provided that, as regards voting at meetings, service of notices, and receipt of dividend, the person first named in the register may, at the option of the Board, be deemed the sole holder of such stock or share.

Recognition of legal representatives of deceased shareholders.

30. When, by the death of any proprietor or shareholder, his stock or shares shall devolve on his legal representative, the Bank shall not be bound to recognise any legal representative of such deceased proprietor or shareholder other than a person who has taken out probate to the will, or letters of administration to the estate of the deceased—

in the case of the Bank of Bengal, from the High Court of Judicature at Fort William;

in the case of the Bank of Madras, from the High Court of Judicature at Madras; and

in the case of the Bank of Bombay, from the High Court of Judicature at Bombay;

in the case of any of the said Banks, a probate granted by any of the said High Courts and taking effect throughout the whole of British India;

or who has obtained a certificate in respect of the estate of the deceased under Act No. XXVII. of 1860, or any other Act relating to the collection of debts on successions, describing such stock or shares, from a Court of competent jurisdiction within the Presidency of Fort William, the Presidency of Madras, or the Presidency of Bombay, as the case may be.

Transmission on insolvency or marriage.

31. Any person becoming entitled to stock or shares in consequence of the bankruptcy or insolvency of any proprietor or shareholder, or in consequence of the marriage of any female proprietor or shareholder, may be registered as a proprietor or shareholder upon such evidence being produced as the directors may from time to time require.

CHAPTER VII.

Directors.

Board.

32. The business of the Bank shall be managed by the Board, which shall in the first instance consist of six directors, and may subsequently consist of such number, not less than six, and not more than nine, as may be fixed by a special resolution.

Such directors shall be selected by vote of a general or special meeting.

Quorum.

Three of the directors shall form a quorum for the transaction of business.

Present directors to be continued.

33. The persons who, on the *first* day of *March* 1876, are respectively directors of the Bank of Bengal, the Bank of Madras, and the New Bank of Bombay, Limited, shall be respectively directors of the Bank of Bengal, the Bank of Madras, and the Bank of Bombay, as constituted by this Act, subject to removal as hereinafter provided and to the other provisions herein contained.

Two directors to go out by rotation annually.

34. The two directors who have been longest in office shall go out of office at the general meeting.

Any director so retiring shall be eligible for re-election at such meeting, and, if any question arise as to which of the directors who have been the same time in office shall retire, such question shall be decided by the directors by ballot.

Qualification of directors.

35. *Clause* 1.—No person shall be eligible or qualified to serve as a director of a Bank who is not a proprietor or holder in his own right of unencumbered stock or shares of such Bank, to the amount of ten thousand rupees at the least.

Disqualification of directors.

Clause 2.—No person shall be eligible or qualified to serve as a director—

If he holds the office of director, provisional director, promoter, agent or manager of any other Bank established, or having a branch or agency, in British India; or advertised as about to be established, or to have a branch or agency, in British India;

If he is a Judge of any High Court; or

If he is a salaried officer of Government not specially authorised by the Governor General in Council to serve as a director;

And the office of director shall be vacated—

If the person holding it accepts or holds any other office of profit under the Bank;

If he becomes bankrupt or insolvent, or compounds with his creditors;

If he is declared lunatic, or becomes of unsound mind;

If he is absent from the Board for more than three consecutive months;

If he ceases to hold in his own right the amount or number of stock or shares required to qualify him for the office.

Co-partners of same firm not to serve as directors at same time.

Clause 3.—No two persons who are partners of the same mercantile firm, or one of whom is the general agent of, or holds a power of procuration from, the other, or from a mercantile firm of which the other is a partner, shall be eligible or qualified to serve as directors at the same time.

Power to remove directors.

Clause 4.—The proprietors or shareholders may, by a special resolution passed by the votes of proprietors or shareholders holding in the aggregate not less than one-half of the capital, remove any director before the expiration of his period of office, and appoint, in his stead, a qualified person, who shall in all respects stand in his place.

Directors to choose president and vice-president.

36. At the first meeting of the directors in every year they shall choose a president and vice-president from among themselves, and whenever the office of president or vice-president becomes vacant, they shall, at their next meeting, choose a successor for the remainder of the current year.

Chairman.

The president, or in his absence the vice-president, shall be chairman at all meetings whether of directors or of proprietors or shareholders, or of proprietors and shareholders, and shall have an additional or casting vote in all cases of an equal division of votes.

Casting vote.

Provided that if both the president and vice-president be absent at any meeting the directors present shall elect a chairman for such meeting from among themselves, and such chairman shall, in case of an equal division of votes, have an additional or casting vote.

Vacancies among directors how filled up.

37. The Board shall have power at any time, and from time to time, to supply any vacancies in their number arising from the death, resignation, or disqualification under section thirty-four, of any director, or from his temporary absence from the Board exceeding one month.

Any director so appointed shall, for the purposes of section thirty-four, be considered to have held office from the date on which the director in whose place he is appointed was elected, or (where such director was appointed under this section) from the date on which his mediate or immediate predecessor was elected.

Acts of directors valid notwithstanding subsequent discovery of disqualification.

38. All acts done by any meeting of the directors, or of a committee of directors, or by any person acting as a director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

CHAPTER VIII.

Officers of the Bank.

Appointment, salaries, suspension and removal of officers.

39. The directors shall have power—

to appoint such officers, clerks and servants as may be necessary to conduct the business of the Bank,

to fix the salaries of such officers, clerks and servants, and

to suspend or remove any officer, clerk or servant of the Bank.

Accounts, receipts and documents of Bank by whom to be signed.

40. The Secretary and Treasurer and Secretary of the Bank are hereby severally empowered for and on behalf of the Bank

to endorse and transfer promissory notes, stock-receipts, stock, debentures, shares, securities, and documents of title to goods, standing in the name of, or held by, the Bank,

and to draw, accept and endorse bills of exchange, bank post-bills, letters of credit, in the current and authorized business of the Bank,

and to sign all other accounts, receipts and documents connected with such business.

Officers forbidden to engage in other commercial business.

41. No Secretary and Treasurer, Secretary, Inspector, Agent, Manager, or Accountant, in the service of the Bank,

and no Khazánchi or Shroff in the service of the Bank at the principal office,

and, without the previous sanction of the Board, no Khazánchi or Shroff at any branch or agency of the Bank,

shall engage in any other banking or commercial business, either on his own account or as agent for any other person or persons, or shall act as broker for the sale or purchase of Government or other securities.

Security from officers.

42. Every person appointed to hold, or act in any one or more of the said offices, and every other officer from whom the directors may from time to time think fit to require it, shall give security to the directors, for the faithful discharge of his duty to the satisfaction of the directors, in such amount and in such manner as they think proper.

The security to be given as aforesaid by the person holding or acting in the office of Secretary and Treasurer, shall not be in a less amount than fifty thousand rupees.

CHAPTER IX.

Accounts and Dividends.

Books to be balanced twice a year.

43. The directors shall cause the books of the Bank to be balanced on every thirty-first day of December and every thirtieth day of June.

A statement of the balance at every such period, signed by a majority of the directors, shall be forthwith sent to a Secretary to the Government of India, and in the cases of the Bank of Madras and the Bank of Bombay, also to a Secretary to the Local Government.

The Governor General in Council in the case of each of the said Banks, and the Local Government in the case of the Bank of Madras and the Bank of Bombay, shall (so long as any such arrangement with the Government as aforesaid, which has already been, or shall hereafter be, entered into remains in force) at all times be entitled to require of the directors any information touching the affairs of the Bank and the production of any document of the Bank,

and in the case of each of the said Banks the Governor General in Council may require the publication of such statements of its assets and liabilities, at such intervals and in such form and manner as the Governor General in Council thinks fit.

Every requisition under this section shall be signified in writing under the hand of a Secretary to the Government of India or to the Local Government (as the case may be), and the directors shall comply with every such requisition.

Dividends to be determined half-yearly.

44. An account of the profits of the Bank during the previous half-year shall be taken on or immediately after every thirty-first day of December and every thirtieth day of June,

and a dividend thereof shall be made as soon thereafter as conveniently may be,

and the amount of such dividend shall be determined by the directors, subject to the provisions of section forty-five;

No unpaid dividend shall bear interest as against the Bank.

Reserve-fund.

45. The directors, before declaring any dividend, may set aside out of the profits of the Bank such a sum as they think proper as a reserve-fund, and invest the same upon any of the securities specified in section nine, paragraph (*a*), clauses (1), (2), (3) and (4).

Application of reserve-fund.

46. The directors may from time to time apply such portion as they think fit of the reserve-fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining the buildings and business premises of the Bank, or any part thereof, or for any other purposes of the Bank, which they from time to time deem expedient.

CHAPTER X.

Audit.

Election of auditors.

47. Two auditors shall be elected and their remuneration fixed at the annual general meeting.

Who may be auditors.

The auditors may be proprietors or shareholders; but no person shall be elected auditor who is interested, otherwise than as a proprietor, shareholder or depositor in any transaction of the Bank; and no director or other officer of the Company is eligible during his continuance in office.

Auditors re-eligible.

Any auditor shall be re-eligible on his quitting office.

Auditors' tenure of office.

The persons who shall be auditors on the *first* day of *March* 1876, and all auditors elected under this section, shall severally be and continue to act as auditors until the first general meeting after their respective elections:

Supply of casual vacancy in office.

Provided that if any casual vacancy occurs in the office of any auditor, the directors shall forthwith call a special meeting for the purpose of supplying the same.

Rights and duties of auditors.

48. Every auditor shall be supplied with a copy of the half-yearly balance-sheet, and it shall be his duty to examine the same, with the accounts and vouchers relating thereto.

Every auditor shall have a list delivered to him of all books kept by the Bank, and shall at all reasonable times have access to the books and accounts of the Bank, and may (at the expense of the Bank) employ accountants or other persons to assist him in investigating such accounts, and may in relation to such accounts, examine the directors or any other officer of the Bank.

The auditors shall make a report to the proprietors and shareholders upon the annual balance-sheet and accounts; and in every such report they shall state whether, in their opinion, the balance-sheet is a full and fair balance-sheet containing the particulars required by the bye-laws made under this Act and properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs, and in case they have called for any explanation or information from the directors, whether it has been given by the directors and whether it has been satisfactory.

Such report shall be read together with the report of the directors at the annual general meeting.

CHAPTER XI.

Meetings.

Annual general meeting.

49. On the first Monday of the month of August in every year, or as soon after such day as is convenient, a general meeting shall be held, at which the directors shall submit to the proprietors and shareholders a statement of the affairs of the Bank made up to the preceding thirtieth day of June.

A notice convening such meeting, signed by the Secretary and Treasurer, shall be published in the local official Gazette, and in the case of the Bank of Bengal also in the *Gazette of India*, at least fifteen days before the meeting is held.

Special meetings.

50. Any ten or more proprietors or shareholders holding stock or shares, or both, to the aggregate amount of fifty thousand rupees, or any three directors, may convene a special meeting upon giving fifteen days' previous notice of such meeting

and of the purpose for which the same is convened, as well to the directors as also by public advertisement in the local official Gazette, and in two of the English and one of the Vernacular daily newspapers:

Provided that three months' previous notice shall be thus given of any special meeting held for the purpose of increasing or reducing the capital of the Bank.

Quorum.

51. No business shall be transacted at any meeting, whether general or special, unless a quorum of twenty proprietors or shareholders, or both, in person or by proxy, is present at the commencement of such business.

If within one hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by proprietors or shareholders not being directors, shall be dissolved: in any other case it shall stand adjourned to the same day in the following week at the same time and place, and if at such adjourned meeting a quorum is not present it shall be adjourned *sine die*.

Decision by majority of votes.

52. At meetings, whether general or special, every election and other matter submitted to the meeting shall be decided by a majority of votes, except as in section twenty and in section thirty-five, clause 4, is specially provided,

Persons not allowed to vote.

and no person shall be allowed to vote at any such meeting in respect of any stock or share acquired by transfer, unless such transfer shall have been completed and registered at least three months before the time of such meeting.

Shareholders in arrear as to calls.

And no shareholder shall be entitled to vote at any meeting in respect of any shares held by him alone or jointly, whilst any call due from him alone or jointly remains unpaid.

Power to declare resolution carried by show of hands.

53. A declaration by the chairman of any meeting, except a special meeting held under section twenty, that a resolution has been carried thereat upon a show of hands, shall be conclusive, and an entry to that effect in the book of proceedings of the Bank shall be sufficient evidence of that fact, without proof of the number or proportion of the votes recorded in favour of, or against, such resolution, unless, immediately on such declaration, a poll be demanded in writing by five proprietors or shareholders present and entitled to vote at such meeting.

Poll to be taken, if demanded.

54. If a poll be demanded, it shall be taken at such time and place, and (except at the special meeting last aforesaid) either by open voting or by ballot, as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Proceedings and resolutions at meetings to be binding.

55. The proceedings at any meeting, and all resolutions and decisions of such meeting, shall be valid and binding on the Bank so far as such proceedings, resolutions and decisions are consistent with the provisions of this or any other Act for the time being in force and regulating the Bank.

Scale of votes.

56. At all such meetings, the proprietors or shareholders shall vote according to the following scale:—

The proprietor of capital stock amounting to Rs. 2,000 or the holder of shares of which the total nominal amounts are equal to Rs. 2,000, shall be entitled to	1 vote.
The proprietor of capital stock amounting to Rs. 10,000, or the holder of shares of which the total nominal amounts are equal to Rs. 10,000, shall be entitled to	2 votes.
The proprietor of capital stock amounting to Rs. 20,000, or the holder of shares of which the total nominal amounts are equal to Rs. 20,000, shall be entitled to	3 „
The proprietor of capital stock amounting to Rs. 30,000, or the holder of shares of which the total nominal amounts are equal to Rs. 30,000, shall be entitled to	4 „
The proprietor of capital stock amounting to Rs. 40,000, or the holder of shares of which the total nominal amounts are equal to Rs. 40,000, shall be entitled to	5 „
The proprietor of capital stock amounting to Rs. 50,000, or the holder of shares of which the total nominal amounts are equal to Rs. 50,000, shall be entitled to	6 „
The proprietor of capital stock amounting to Rs. 60,000, or the holder of shares of which the total nominal amounts are equal to Rs. 60,000, shall be entitled to	7 „

Where a person is both a proprietor of stock and a holder of shares, his shares shall, for the purpose of this section, be deemed to be stock.

No proprietor or shareholder shall be entitled to more than seven votes at any such meeting.

Proxies of proprietors or shareholders.

57. Any proprietor or shareholder entitled to vote at any meeting under this Act may give a proxy in writing, either general or special, under his hand or the hand of his attorney duly authorized, to any other proprietor or shareholder.

Such proxy shall be produced at the time of voting, and shall entitle the person to whom it is given to vote on such matters as shall be authorized by the tenor of such proxy.

But no person shall be permitted to vote in virtue of such proxy unless it has been left for registration at the office of the Bank at least three clear days before the time for holding the meeting at which it is intended to be used:

Provided that a general proxy which has been registered at such office need not be again left for registration previous to any subsequent meeting.

Proxies existing and in force with reference to any of the present Banks, on the *first* day of *March* 1876, shall continue in force and be available at meetings under this Act, anything herein contained notwithstanding.

Existing proxies.

58. If any proprietor or shareholder is a lunatic or idiot, he may vote by his committee or other legal curator, and if any proprietor or shareholder is a minor, he may vote by his guardian, or any one of his guardians, if more than one.

Voting by lunatic and minor shareholders.

CHAPTER XII.

NOTICES.

59. Every notice or other document requiring to be served by the Bank upon any proprietor or shareholder may be served either personally, or by leaving it for, or sending it through the post by registered letter addressed to, him at his registered place of abode;

Service of notices by Bank.

and every notice sent through the post shall be deemed to have been served at the time at which in the usual course of post it would have been delivered.

60. Every notice to be given on the part of any proprietor or shareholder shall be left at the office of the Bank, or sent through the post by registered letter addressed to the Secretary and Treasurer of the Bank at its principal office.

Notices by shareholders.

61. Every person who by operation of law, transfers or otherwise becomes entitled to any stock or shares, shall be bound by any and every notice or other document which, previously to his name and address being entered upon the register of the Bank in respect of such stock or shares, has been given to the person from whom he derives his title thereto.

Shareholder bound by notices to previous holders.

62. When any notice or document is delivered or sent, in accordance with this Act, at or to the registered place of abode of a proprietor or shareholder, then, and notwithstanding he be then deceased, and whether or not the Bank have notice of his decease, such service of the notice or other document shall, for all purposes of this Act, be deemed service thereof on him, or, if dead, on his heirs, executors, administrators, and every of them.

Service of notices good notwithstanding shareholder's death.

CHAPTER XIII.

BYE-LAWS.

63. The directors may from time to time make bye-laws, regulating the following matters or any of them :—

Power of directors to make bye-laws.

(*a*) the distribution of business amongst the directors,

(*b*) their remuneration,

(*c*) the delegation of any powers of the directors to committees consisting of members of their body,

(*d*) the procedure at the meetings of the board or of any committee of the directors,

(*e*) the bills which may be discounted and the amount which may be advanced by way of discount,

(*f*) the limits for advances and the conditions on which they may be made,

(*g*) the circumstances under which alone advances may be made to directors or officers of the Bank, or the relatives of such directors or officers, or to companies, firms, or individuals with which or with whom such directors, officers, or relatives are connected as partners, directors, managers, servants, shareholders, or otherwise,

(*h*) the books and accounts to be kept at the head and other offices respectively,

(*i*) the reports and statements to be prepared and made by the Chief Accountant, the heads of departments, and the other officers of the Bank,

(*j*) the particulars to be contained in the half-yearly balance-sheet,

(*k*) the proportion which the reserve fund must bear to the paid-up capital at the time of declaring or paying any dividend,

(*l*) the management of the branches and agencies,

(*m*) the fees payable for certificates of shares or receipts for stock, or for registration of transfers of shares or stock,

(*n*) the renewal of certificates of shares and receipts for stock, which have been worn-out or lost,

(*o*) and, generally, for the conduct of the business of the Bank ;

and the proprietors and shareholders may, from time to time, at any meeting, whether general or special, make bye-laws regulating the matters mentioned in clauses (*a*) to (*o*), both inclusive, of this section, and otherwise for the direction of the affairs of the Bank, and the same shall be binding on the directors and officers, and on the proprietors and shareholders, until rescinded or varied at any subsequent meeting :

Power of proprietors and shareholders to make bye-laws.

Provided that no bye-law, or alteration or rescission of any bye-law, whether made by the directors or by the proprietors and shareholders, shall be of any validity, except in so far as the same is consistent with the provisions of this Act, and has been previously approved by the Governor General in Council, and such approval has been signified in writing under the hand of a Secretary to the Government of India.

Proviso.

and of the purpose for which the same is convened, as well to the directors as also by public advertisement in the local official Gazette, and in two of the English and one of the Vernacular daily newspapers:

Provided that three months' previous notice shall be thus given of any special meeting held for the purpose of increasing or reducing the capital of the Bank.

Quorum.

51. No business shall be transacted at any meeting, whether general or special, unless a quorum of twenty proprietors or shareholders, or both, in person or by proxy, is present at the commencement of such business.

If within one hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by proprietors or shareholders not being directors, shall be dissolved: in any other case it shall stand adjourned to the same day in the following week at the same time and place, and if at such adjourned meeting a quorum is not present it shall be adjourned *sine die*.

Decision by majority of votes.

52. At meetings, whether general or special, every election and other matter submitted to the meeting shall be decided by a majority of votes, except as in section twenty and in section thirty-five, clause 4, is specially provided,

Persons not allowed to vote.

and no person shall be allowed to vote at any such meeting in respect of any stock or share acquired by transfer, unless such transfer shall have been completed and registered at least three months before the time of such meeting.

Shareholders in arrear as to calls.

And no shareholder shall be entitled to vote at any meeting in respect of any shares held by him alone or jointly, whilst any call due from him alone or jointly remains unpaid.

Power to declare resolution carried by show of hands.

53. A declaration by the chairman of any meeting, except a special meeting held under section twenty, that a resolution has been carried thereat upon a show of hands, shall be conclusive, and an entry to that effect in the book of proceedings of the Bank shall be sufficient evidence of that fact, without proof of the number or proportion of the votes recorded in favour of, or against, such resolution, unless, immediately on such declaration, a poll be demanded in writing by five proprietors or shareholders present and entitled to vote at such meeting.

Poll to be taken, if demanded.

54. If a poll be demanded, it shall be taken at such time and place, and (except at the special meeting last aforesaid) either by open voting or by ballot, as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Proceedings and resolutions at meetings to be binding.

55. The proceedings at any meeting, and all resolutions and decisions of such meeting, shall be valid and binding on the Bank so far as such proceedings, resolutions and decisions are consistent with the provisions of this or any other Act for the time being in force and regulating the Bank.

Scale of votes.

56. At all such meetings, the proprietors or shareholders shall vote according to the following scale:—

The proprietor of capital stock amounting to Rs. 2,000 or the holder of shares of which the total nominal amounts are equal to Rs. 2,000, shall be entitled to	1 vote.
The proprietor of capital stock amounting to Rs. 10,000, or the holder of shares of which the total nominal amounts are equal to Rs. 10,000, shall be entitled to	2 votes.
The proprietor of capital stock amounting to Rs. 20,000, or the holder of shares of which the total nominal amounts are equal to Rs. 20,000, shall be entitled to	3 ,,
The proprietor of capital stock amounting to Rs. 30,000, or the holder of shares of which the total nominal amounts are equal to Rs. 30,000, shall be entitled to	4 ,,
The proprietor of capital stock amounting to Rs. 40,000, or the holder of shares of which the total nominal amounts are equal to Rs. 40,000, shall be entitled to	5 ,,
The proprietor of capital stock amounting to Rs. 50,000, or the holder of shares of which the total nominal amounts are equal to Rs. 50,000, shall be entitled to	6 ,,
The proprietor of capital stock amounting to Rs. 60,000, or the holder of shares of which the total nominal amounts are equal to Rs. 60,000, shall be entitled to	7 ,,

Where a person is both a proprietor of stock and a holder of shares, his shares shall, for the purpose of this section, be deemed to be stock.

No proprietor or shareholder shall be entitled to more than seven votes at any such meeting.

Proxies of proprietors or shareholders.

57. Any proprietor or shareholder entitled to vote at any meeting under this Act may give a proxy in writing, either general or special, under his hand or the hand of his attorney duly authorized, to any other proprietor or shareholder.

Such proxy shall be produced at the time of voting, and shall entitle the person to whom it is given to vote on such matters as shall be authorized by the tenor of such proxy.

But no person shall be permitted to vote in virtue of such proxy unless it has been left for registration at the office of the Bank at least three clear days before the time for holding the meeting at which it is intended to be used:

Provided that a general proxy which has been registered at such office need not be again left for registration previous to any subsequent meeting.

Proxies existing and in force with reference to any of the present Banks, on the *first* day of *March* 1876, shall continue in force and be available at meetings under this Act, anything herein contained notwithstanding.

Existing proxies.

58. If any proprietor or shareholder is a lunatic or idiot, he may vote by his committee or other legal curator, and if any proprietor or shareholder is a minor, he may vote by his guardian, or any one of his guardians, if more than one.

Voting by lunatic and minor shareholders.

CHAPTER XII.

NOTICES.

59. Every notice or other document requiring to be served by the Bank upon any proprietor or shareholder may be served either personally, or by leaving it for, or sending it through the post by registered letter addressed to, him at his registered place of abode;

Service of notices by Bank.

and every notice sent through the post shall be deemed to have been served at the time at which in the usual course of post it would have been delivered.

60. Every notice to be given on the part of any proprietor or shareholder shall be left at the office of the Bank, or sent through the post by registered letter addressed to the Secretary and Treasurer of the Bank at its principal office.

Notices by shareholders.

61. Every person who by operation of law, transfers or otherwise becomes entitled to any stock or shares, shall be bound by any and every notice or other document which, previously to his name and address being entered upon the register of the Bank in respect of such stock or shares, has been given to the person from whom he derives his title thereto.

Shareholder bound by notices to previous holders.

62. When any notice or document is delivered or sent, in accordance with this Act, at or to the registered place of abode of a proprietor or shareholder, then, and notwithstanding he be then deceased, and whether or not the Bank have notice of his decease, such service of the notice or other document shall, for all purposes of this Act, be deemed service thereof on him, or, if dead, on his heirs, executors, administrators, and every of them.

Service of notices good notwithstanding shareholder's death.

CHAPTER XIII.

BYE-LAWS.

63. The directors may from time to time make bye-laws, regulating the following matters or any of them :—

Power of directors to make bye-laws.

(*a*) the distribution of business amongst the directors,

(*b*) their remuneration,

(*c*) the delegation of any powers of the directors to committees consisting of members of their body,

(*d*) the procedure at the meetings of the board or of any committee of the directors,

(*e*) the bills which may be discounted and the amount which may be advanced by way of discount,

(*f*) the limits for advances and the conditions on which they may be made,

(*g*) the circumstances under which alone advances may be made to directors or officers of the Bank, or the relatives of such directors or officers, or to companies, firms, or individuals with which or with whom such directors, officers, or relatives are connected as partners, directors, managers, servants, shareholders, or otherwise,

(*h*) the books and accounts to be kept at the head and other offices respectively,

(*i*) the reports and statements to be prepared and made by the Chief Accountant, the heads of departments, and the other officers of the Bank,

(*j*) the particulars to be contained in the half-yearly balance-sheet,

(*k*) the proportion which the reserve fund must bear to the paid-up capital at the time of declaring or paying any dividend,

(*l*) the management of the branches and agencies,

(*m*) the fees payable for certificates of shares or receipts for stock, or for registration of transfers of shares or stock,

(*n*) the renewal of certificates of shares and receipts for stock, which have been worn-out or lost,

(*o*) and, generally, for the conduct of the business of the Bank ;

and the proprietors and shareholders may, from time to time, at any meeting, whether general or special, make bye-laws regulating the matters mentioned in clauses (*a*) to (*o*), both inclusive, of this section, and otherwise for the direction of the affairs of the Bank, and the same shall be binding on the directors and officers, and on the proprietors and shareholders, until rescinded or varied at any subsequent meeting :

Power of proprietors and shareholders to make bye-laws.

Provided that no bye-law, or alteration or rescission of any bye-law, whether made by the directors or by the proprietors and shareholders, shall be of any validity, except in so far as the same is consistent with the provisions of this Act, and has been previously approved by the Governor General in Council, and such approval has been signified in writing under the hand of a Secretary to the Government of India.

Proviso.

CHAPTER XIV.

MISCELLANEOUS.

Power to institute and compromise suits.

64. The directors may institute, conduct, defend, compromise, refer to arbitration and abandon legal and other proceedings and claims by or against the Bank, or the directors or officers of the Bank and otherwise concerning its affairs.

Evidence in legal proceedings against shareholders.

65. In any suit brought against any shareholder to recover any debt due for any call or other moneys due from him in his character of shareholder, it shall be sufficient to allege that the defendant is a shareholder of the Bank, and is indebted to the Bank in respect of a call made or other moneys due, whereby a right to sue has accrued to the Bank;

and, on the hearing of any suit to be brought by the Bank against any shareholder to recover any debt due for any call, it shall be sufficient to prove that the name of the defendant is on the register of shareholders of the Bank as the holder of the shares in respect of which such debt accrued, and that the call was made, and that notice of such call was duly given to the defendant in pursuance of this or any other Act for the time being in force regulating the Bank;

and it shall not be necessary to prove the appointment of the directors who made such call, nor that a quorum of directors was present at the Board at which such call was made, nor that the meeting at which it was made was duly convened or constituted.

Modification of 33 Geo. III., sess. 2, cap. 52.

66. Nothing in the Thirty-third of George the Third, session two, chapter fifty-two, shall be deemed to render it unlawful for any servant of Government or for any Judge of a High Court, to become a member of any corporation established under this Act.

Sale to Banks of Bengal and Madras of Government shares therein.

67. And whereas the Government of India has agreed to sell, and the directors of the present Bank of Bengal have agreed to purchase, at a premium of twenty-two and a half per centum, the said two thousand two hundred shares of one thousand rupees each held by the Government of India in the same Bank; and it is intended that the directors of the Bank of Bengal as constituted by this Act shall cancel two thousand of such shares, and sell for the benefit of the Bank four hundred shares in the same Bank corresponding with the remaining two hundred shares so agreed to be sold and purchased;

And whereas the Government of India has agreed to sell, and the directors of the present Bank of Madras have agreed to purchase, at a premium of ten per centum, the said five hundred and sixty-two and a half shares held by the Government of India in the same Bank, and it is intended that the directors of the Bank of Madras as constituted by this Act shall cancel the same shares;

And whereas the said respective directors of the present Bank of Bengal and Bank of Madras had no power to enter into the said agreements and the directors of the Bank of Bengal as constituted by this Act have no power to sell the four hundred shares referred to in this section;

And whereas the respective directors of the Bank of Bengal and Bank of Madras as constituted by this Act have no power to cancel the said two thousand shares or the said five hundred and sixty-two and a half shares;

And whereas it is expedient to confirm the said agreements, and to indemnify the said respective directors of the present Bank of Bengal and Bank of Madras for entering into the same, and to empower the directors of the Bank of Bengal as constituted by this Act to sell the said four hundred shares, and to empower the respective directors of the Bank of Bengal and Bank of Madras as constituted by this Act to cancel the said shares so intended to be cancelled; It is hereby further enacted as follows:—

(*a*).—The said agreements are hereby confirmed, and the said respective directors of the present Bank of Bengal and Bank of Madras are hereby indemnified for entering into the same; and no suit or other proceeding shall be maintained against any such director in respect of any thing *bonâ fide* done in pursuance of either of such agreements.

(*b*).—The directors of the Bank of Bengal as constituted by this Act shall have power to sell and shall, as soon as conveniently may be, sell, the said four hundred shares, either together or in parcels, and either by public auction or private contract, and shall apply the proceeds in or towards paying the price of the shares of the Government of India so agreed to be purchased by the directors of the present Bank as aforesaid, or otherwise for the benefit of the Bank of Bengal as constituted by this Act.

(*c*).—The directors of the Bank of Bengal as constituted by this Act shall have power to cancel, and shall, as soon as conveniently may be, cancel, the said two thousand shares, and the directors of the Bank of Madras as constituted by this Act shall have power to cancel, and shall, as soon as conveniently may be, cancel, the said five hundred and sixty-two and a half shares.

SCHEDULE.

(SEE SECTION 2.)

Part I.—Statute.

Number and year.	Abbreviated title.	Extent of repeal.
47 George III., sess. 2, cap. 68.	An Act for the better government of the Settlements of Fort St. George and Bombay, &c.	Sections eight, nine, and ten.

Part II.—Acts of the Governor General in Council.

Number and year.	Title.	Extent of repeal.
IV. of 1862.	An Act for regulating the Bank of Bengal.	The whole.
V. of 1862.	An Act to provide for the payment at the Banks of Bengal, Madras and Bombay, of monies payable at the General Treasuries of Calcutta, Madras and Bombay.	The whole.
VI. of 1862.	An Act to annex a schedule to Act IV. of 1862.	The whole.
XXIX. of 1863.	An Act to declare the receipts of the Banks of Bengal, Madras and Bombay to be sufficient in lieu of the receipts of the Sub-Treasurers of Fort William, Fort St. George and Bombay, respectively.	The whole.
XIX. of 1870.	An Act to enable the Directors of the Bank of Bengal to act by a quorum.	The whole.

Part III.—Acts of the Governor of Fort St. George in Council.

Number and year.	Title.	Extent of repeal.
VI. of 1866.	An Act for repealing Madras Act V. of 1862, and for regulating the Bank of Madras.	The whole.
I. of 1871.	An Act to amend Madras Act VI. of 1866, to give validity to certain acts done by the Directors of the Bank of Madras, and to enable outgoing Directors to be re-elected.	The whole.

Part IV.—Acts of the Governor of Bombay in Council.

X. of 1863	An Act for the Re-incorporation and re-constitution of the Bank of Bombay.	The whole.
XV. of 1866	An Act to amend Act No. X. of 1863 (Bombay).	The whole.
I. of 1867	An Act to reduce the amount of the capital of the Bank of Bombay and of the shares thereon, and to amend Act X. of 1863 and Act. XV. of 1863 (Bombay).	The whole.

STATEMENT OF OBJECTS AND REASONS.

The Government of India is a shareholder in the Banks of Bengal and Madras, and it appoints certain of the directors, and may vote by proxy at the meetings of the proprietors.

The Government has, however, determined to sell its shares, and to surrender its powers of appointing directors and voting. As those powers are conferred by Acts of the Indian legislatures, and as some of the arrangements connected with sale are beyond the powers of the directors, the present Bill is necessary.

The opportunity has been taken to repeal the present law on the subject, to consolidate the Acts relating to the Banks of Bengal and Madras, and to incorporate the New Bank of Bombay, Limited.

At the same time the Bill proposes to make certain changes, of which the following are the principal :—

(*a*). The capital of the Bank of Bengal will be reduced from Rs. 22,000,000 to Rs. 20,000,000, and that of the Bank of Madras from Rs. 5,625,000 to Rs. 5,062,500.

(*b*). The capital of those two Banks, which is now divided into shares of Rs. 1,000 each, will be divided into shares of only Rs. 500 each.

(c). The kinds of business which the Banks may transact are increased in number. They are empowered to lend upon the security of debentures of Indian municipalities, on goods the documents of title to which are assigned to the Banks as security, and on negotiable securities which, under the provisions of the proposed Act, may be discounted. They may also lend to the Governor General in Council without any specific security. On the other hand, they are expressly forbidden to make loans for a longer period than three months; to make unsecured loans to the same person or firm for more than six lakhs of rupees; to discount any negotiable security, payable where it is presented for discount, which does not carry on it the several responsibilities of at least two persons or firms unconnected in general partnership; or to discount negotiable securities having a longer period to run than three months, except in the case of the Bank of Madras, which may discount such securities payable in Ceylon and running for four months.

The Banks, as constituted by the proposed Act, will still be empowered to act as bankers for the Government of India; and though the Government will cease to have any direct pecuniary concern in the Banks, the interests of the public are so largely involved in their careful management, that it has been thought right to provide (*a*) that the capital of the Banks shall not be increased or diminished without the previous sanction of the Governor General in Council; (*b*) that the Governor General in Council in the case of each of the three Banks, the Local Government in the case of the Banks of Madras and Bombay, shall be entitled to require information touching the affairs of the Bank and the publication of statements of assets and liabilities; and (*c*) that the previous approval of the Government of India shall be required to validate bye-laws.

CALCUTTA,
The 7th December 1875.

(Signed) W. MUIR.

WHITLEY STOKES,
Secretary to the Government of India.

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