

1. Number of pages 40
(2) Date of receipt 15-1-40
3. Initials of the Receiver

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	212	Press
		Mis.
Dated	14-1-40	1876

Not to be folded or roughly handled

Bills—Legislative.

Read the following papers :—

No. 132. From T. E. FRANCK, Esq., Secretary and Treasurer of the Bank of Madras, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Madras, 24th January 1876.

I have the honor, by desire of the Directors of the Bank, to acknowledge the receipt of Proceedings of Government, Financial Department, No. 94, dated 15th January 1876, forwarding a copy of the Presidency Banks Bill, and requesting an expression of opinion on the provisions contained in it.

2. In reply, I am directed to submit the following observations and suggestions on the Bill, and to state that a copy of the Directors' remarks has been forwarded direct to the Select Committee appointed to consider the Bill, through the Secretary to the Government of India in the Legislative Department, in accordance with the instructions contained in a letter from the Under Secretary to the Government of India, dated 15th December 1875 :—

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 ;

3. *Preamble, paragraph 7.*—As a further reduction of capital to the extent of 62½ shares has been agreed upon, the Directors suggest that the full amount should be here stated, *viz.*, “six hundred and twenty-five thousand rupees,” and that the words in parentheses (“being the nominal value of the shares in the same Bank so held by the Government of India”) should be omitted.

4. *Chapter 2, Section 4.*—The Directors learn with satisfaction that the Government of India accepts Mr.

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, 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.

Boyson's opinion that the liability of the shareholders is limited under the Bill, but as a considerable amount of doubt and misapprehension exists on the subject, they consider it very desirable that in a matter of such vital importance to the shareholders, the question should be finally set at rest, by a special provision of the Bill, and they suggest that a clause should be inserted expressly limiting the liability of proprietors and shareholders to the respective amounts of their stock and shares.

5. Chapter 3, Section 16.—The Directors would prefer the omission of this

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.

words “in the Presidency of the Bank proposing to purchase” should be substituted for “in British India.”

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.

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.

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.

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.

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;

section altogether, as conferring a dangerous power on the shareholders, and possibly leading to aggressive action beyond the limits of the Presidency in which each Bank is situated. Should the Government however consider it desirable to retain the section, the Directors suggest that the words “with the sanction of the Governor-General in Council” should be inserted after “special resolution,” and that the

Chapter 4, Section 17.—The capital of the Bank should be stated at Rupees 50,00,000 instead of Rupees 50,62,500.

Section 20.—The Directors consider that the latter clause of this section as it stands is somewhat ambiguous, and they suggest that the words “at least one-half in number of the” should be omitted, and that the property qualification should be raised from one-half to two-thirds of the paid-up capital.

Chapter 6, Section 35, Clause 2.—The Directors suggest that in order to meet the objection, which has been raised from time to time, to a member of a Mercantile Firm which carries on Banking business being a Director of the Bank, the words “of any Joint-Stock Bank” be substituted for “any other Bank.”

Section 37.—The Directors suggest that the words “or from his temporary

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.

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.

41. No Secretary and Treasurer, Secretary, Inspector, Agent, Manager, or Accountant, in the service of the Bank, and no Khazanchi, or Shroff in the service of the Bank at the principal office, and, without the previous sanction of the Board, no Khazanchi 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.

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.

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 :

absence from the Board exceeding one month” should be omitted from this section.

The reference to disqualification under Section 34 is apparently a misprint for Section 35.

Chapter 8, Section 40.—The Directors suggest that “Government-securities” should be inserted before “promissory notes.”

Section 41.—The Directors suggest the insertion of the word “Cashier” after Khazanchi in this section.

Chapter 10, Section 48.—The Directors suggest that the words following after “books and accounts of the Bank” should be omitted, and in lieu thereof should be added “and shall be entitled to obtain from the Directors or officers of the Bank any information or explanation which he may require in relation to such accounts.”

Chapter 11, Section 50.—The omission of the word “daily” is suggested, as there are no Vernacular newspapers of that description in this Presidency.

*Proceedings of the Madras Government, Financial Department,
14th February 1876.*

52. At meetings whether general or special every election and others 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, and no person shall be allowed to vote at 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.

Section 52.—In order to prevent any question as to the right of a Director who may not have held his shares for three months to vote at a general or special meeting it is suggested that the words "other than a Director of the said Bank" should be inserted after "no person."

No. 133. From the Hon. P. MACFADYEN, Chairman of the Chamber of Commerce, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Madras, 25th January 1876.

With reference to the Proceedings of the Madras Government, Financial Department, 15th instant, requesting this Chamber to express their views on the Bill of the Government of India for Constituting and Regulating the Banks of Bengal, Madras, and Bombay in its present form, it is my pleasing duty to state that there is nothing in the Bill to which the Chamber as representing the trade of Madras, need take exception.

No. 134. ORDER THEREON, 14th February 1876, No. 313.

Ordered that the papers above recorded be transmitted to the Government of India in the Legislative Department with reference to their letter dated 16th December 1875, No. 764.

2. The Chamber of Commerce see no objection to the Presidency Banks Bill in its present form; but the Directors of the Madras Bank suggest a few amendments in the propriety of which this Government concur.

(True Extract.)

Chief Secretary.

To the Chamber of Commerce.

„ Directors of the Bank of Madras.

Exd. J. Wright.

H 7
Bank of Madras.
Madras. 24th January 1876.

To.
The Chief Secretary to Government.
Fort Saint George.

Sir
I have the honor by desire of the Directors of the Bank to acknowledge the receipt of Proceedings of Government, Financial Department No 94, dated 15th Jan'y 1876, forwarding a copy of the Presidency Bank's Bill, and requesting an expression of opinion on the provisions contained in it.

In reply I am directed to submit the following observations, and suggestions on the Bill, and to state that a copy of the Directors' remarks has been forwarded direct to the Select Committee appointed to consider the Bill, through the Secretary to the Government of India in the Legislative Department, in accordance with the instructions contained in a letter from the Under Secretary to the Government of India, dated 15 Decr 1875.

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;

Preamble Para 7. As a further reduction of Capital to the extent of 62½ shares has been agreed upon, the Directors suggest that the full amount should be here

stated vizt: "six hundred and twenty five thousand rupees" and that the words in parenthesis "being the nominal value of the shares in

Bill of 1876 Madras.

FINANCIAL.

To

THE CHAMBER OF COMMERCE,

Ac.

Ac.

Ac.

Dated February, 14th.

Issued

Recd.

Recd.

G.O. 14th February 1876, No. 313.

FEBRUARY.

Nos. 132-136.

Bill—Legislative.—Certain letters on the provisions of the Presidency Banks Bill transmitted to the Government of India with the recommendation that the amendments proposed by the Directors of the Bank of Madras may be adopted in the Bill.

in the same Bank so held by the Government (India) should be omitted.

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,

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.

considerable amount of doubt and misapprehension exists on the subject; they consider it very desirable that in a matter of such vital importance to the Shareholders, the question should be finally set at rest, by a special provision of the Bill, and they suggest that a Clause should be inserted expressly limiting the liability of proprietors and Shareholders to the respective amounts of their stock and shares.

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.

aggressive action beyond the limits of the Presidency in which each Bank is situated. Should the Government however consider it desirable to retain the Section, the Directors suggest that the words "with the sanction of the Governor-General in Council" should be inserted after "special resolution" and that the words "in the Presidency of the Bank proposing to purchase" should be substituted for "in British India".

Chapter 2. Section 4.

The Directors learn with satisfaction that the Govt of India accepts Mr Boyson's opinion that the liability of the Shareholders is limited under the Bill, but as a

considerable amount of doubt and misapprehension exists on the subject; they consider it very desirable that in a matter of such vital importance to the Shareholders, the question should be finally set at rest, by a special provision of the Bill, and they suggest that a Clause should be inserted expressly limiting the liability of proprietors and Shareholders to the respective amounts of their stock and shares.

Chapter 3. Section 16.

The Directors would prefer the omission of this section altogether, as conferring a dangerous power on the Shareholders, and possibly leading to

aggressive action beyond the limits of the Presidency in which each Bank is situated. Should the Government however consider it desirable to retain the Section, the Directors suggest that the words "with the sanction of the Governor-General in Council" should be inserted after "special resolution" and that the words "in the Presidency of the Bank proposing to purchase" should be substituted for "in British India".

Chap. 4. Section 17

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.

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.

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.

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.

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;

carries on Banking business being a Director of the Bank, the words "of any Joint Stock Bank" be substituted for "any other Bank".

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.

the Board exceeding one month" should be omitted from this Section. The reference to disqualification under section

Chapter 4. Section 17. The Capital of the Bank should be stated at Rs 50,00,000 instead of Rs 50,62,500.

Section 20. The Directors consider that the latter clause of this Section as it stands, is somewhat ambiguous, and they suggest that the words "at least one half in number of the" should be omitted, and that the property qualification should be raised from one half to two thirds of the paid up Capital.

Chapter 6. Section 35. Clause 2. The Directors suggest that in order to meet the objections which have been raised from time to time, to a member of a collective firm which

carries on Banking business being a Director of the Bank, the words "of any Joint Stock Bank" be substituted for "any other Bank".
Section 37. The Directors suggested that the words "or from his temporary absence from the Board exceeding one month" should be omitted from this Section. The reference to disqualification under section

24. is apparently a mis-print for section 35

Chapter 8. Section 40

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,

The Directors suggest that "Government Securities" should be inserted before "promissory notes".

41. No Secretary and Treasurer, Secretary, Inspector, Agent, Manager, or Accountant, in the service of the Bank, and no Khazanchi, or Shroff in the service of the Bank at the principal office, and, without the previous sanction of the Board, no Khazanchi 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.

Section 41. The Directors suggest the insertion of the word "Cashier" after Khazanchi in this section

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.

Chapter 10. Section 48. The Directors suggest that the words following after "books and accounts of the Bank" should be omitted, and in lieu thereof should be added

"and shall be entitled to obtain from the Directors or officers of the Bank any information or explanation which he may require in relation to such accounts"

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:

Chapter 11. Section 50. The omission of the word "daily" is suggested - as there are no Vernacular Newspapers of that description in this Presidency

Section

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, 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.

Section 52. In order to prevent any question as to the right of a Director who may not have held his shares for three months before the time of such meeting, it is suggested that the words "other than a Director of the said Bank" should be inserted after "no person".

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Shree the honor to be his permanent director

Ne 132

1974
The Chamber of Commerce.

Madras. 25th July 1876.

From

The Honble P. Macfadyen
Chairman, Chamber of Commerce

To

The Honble W. Huddleston
Chief Secretary to Government
Fort Saint George

Sir,

With reference to the Proceedings of
the Madras Government, Financial Depart-
ment, 15th instant, requesting this
Chamber to express their views on the Bill
of the Government of India for Constituting
and Regulating the Banks of Bengal, Madras
and Bombay, in its present form it is my
pleasing duty to state that there is nothing
in the Bill to which the Chamber as represent-
ing the trade of Madras, need take exception.

I have the honor to be
Sir,

Your most obedient servant

P. Macfadyen

Chairman

1876
Thiruvendiyappan
[Bills Register]
From
The Secretary to
the Chamber of
Commerce
Dated 24.7.76
Recd 26.7.76
1/16
Chairman's Name:
Time and suggestions
in the Commission
of the Secretary
Banks Bill.

[illegible]

W. MUIR.

Government of India.
LEGISLATIVE DEPARTMENT.

Annexure
TO

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

(Statement of Objects and Reasons).

(Price anna).

In final 2783 of 1875

13th December 1875.

THE PRESIDENCY BANKS
BILL, 1876.

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SCHEDULE.

A
BILL

FOR

Constituting and regulating the Banks of Bengal,
 Madras and Bombay.

WHEREAS the Bank of Bengal is now constituted and regulated by Act No. IV of 1862, as amended

Preamble. 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;

In the former Bill, these two clauses came after the following two clauses

in lieu of - certain shares in each of the said banks to be sold under the provisions of the said Acts

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it has been - part with the said

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Here are omitted two clauses which related to the capital of the new Bank of Bombay divided into "first issue" and "reserved issue"

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 reconstituted 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.

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

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

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.

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.

3. In this Act, unless there be something repugnant in the subject or context—
Interpretation-clause. context—
Act IV of 1862, s. 41.
Madras Act VI of 1866, s. 2.
Bombay Bill, s. 2.

"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.

This is an entirely new Bill

The old words were "and in the case of the Bank of Bengal and Bank of Madras includes also half & quarter shares"

"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.

Act IV, 1862, s. 2.
Madras Act VI of 1866, s. 2.
Bombay Bill, s. 2.

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,"

inserted in the Bill at sec 40 (as 52 in the old Bill).

new - The Bill added for this at sec 40 (as 52 in the old Bill).

bullion newly introduced.

The Govt of India seem merely to accept the opinion of Mr. Parnell (Govt Solicitor) and others Govt then the liability of the Directors under the Bill is limited. They do not want any clause (as proposed by the Bank) giving by limiting liability to the funds of the Bank.

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.

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.

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;

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

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

Property of present Banks to vest respectively in new Banks.

Claims against present Banks.

within the Bill

Act IV of 1862, s. 3.
Madras Act VI of 1866, s. 3.
Bombay Bill, s. 3.

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,

Bombay Bill, s. 4.

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.

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.

Act IV of 1862, s. 4.
Madras Act VI of 1866, s. 4.
Bombay Bill, s. 5.

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

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

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.

Act IV of 1862, s. 24.
Madras Act VI of 1866, s. 24.
Bombay Bill, s. 6.

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.

Act IV of 1862, ss. 27, 28, 29.
Madras Act VI of 1866, ss. 27, 28, 29.
Bombay Bill, s. 7.

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

B

(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 (c).

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 immovable, 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 Act IV of 1862, s. 29 any arrangement or agreement with the Governor Madras Act VI of 1866, s. 29. 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

Added in sample...

These two were before clause 6 & 7 of J. but have been made separate articles as 6 & 7 in new clause with Bank's notes & agency money.

Before marked K.

This was before 3.

omitted
To act as agent for the payment or exchange of promissory notes issued under the Indian Paper Currency Act, 1871.

Put in in compliance with the following...

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—

(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,

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.

Act V of 1862, ss. 2 & 4. 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—

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.

Act V of 1862, s. 5. 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.

Bombay Bill, s. 9. 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;

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.

Bombay Bill, s. 10. 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—

(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 resell 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.

Act IV of 1862, s. 86. Madras Act VI of 1866, s. 35. Bombay Bill, s. 72. 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;

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:

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.

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.

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.

Act IV of 1862, s. 5.
Capital of Bank of Bengal.
Before one thousand.
And quarter million.

Madras Act VI of 1866, s. 6. 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.

Bombay Bill, s. 11. 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.

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

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,

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.

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.

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 or 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

* Inserted.
"and the several persons and bodies corporate who shall be shareholders of the said Bank of Bombay, Limited, or the executors, administrators, or assigns of any such person or body corporate, shall be entitled to and shall be placed in the register of shareholders of the Bank, as holders of the said shares, as if they were registered in their names respectively, or in the names of the persons whom they represent respectively, in the register of shareholders of the said Bank of Bombay, Limited, and all such shares upon which the sum of 500 Rs has then been paid, shall be deemed to have been wholly paid up."

Act IV of 1862, s. 17.
Madras Act VI of 1866, s. 7.

Act IV of 1862, s. 6.
Madras Act VI of 1866, s. 6.

* Sec. 20 of the orig. Bill provided for the registration as shareholders in the new Bombay Bank Limited of certain persons entitled to shares by death or insolvency of former holders. This section is omitted in this Bill - but see section 31 of this Bill.

the Bank the proportions of new capital which they may respectively desire to subscribe, and

to 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.

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.

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 towards payment thereof;

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.

This was the last clause of section 22 of the former Bill.

The whole of Chap. V of the former Bill, containing sections 24 to 29 providing for calls on shares in the Bank of Bombay, is omitted in this Bill.

Fixed at 6 per cent per annum in the old Bill. Nowly put in.

This was in the old Bill.

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. Before Chap. VII.

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,

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.

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.

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

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 immovable property; and each share shall be distinguished by its appropriate number.

Omitted.
Sec 31. *If call not paid by any shareholder in Bank of Bombay, notice to be given.*

32. *Notice to share holder, in default, share to be forfeited.*

33. *If requisitions of Notices not complied with, shares to be forfeited.*

34. *Notice of forfeiture to be given.*

35. *Forfeited shares to be the property of the Bank of Bombay.*

36. *Shareholders still liable to pay calls.*

37. *Forfeiture of shares to extinguish claim on Bank of Bombay.*

38. *Entry of forfeiture to be made in Directors' Minutes.*

Bombay Bill, s. 32.

Act IV of 1862, s. 10.
Madras Act VI of 1866, s. 10.
Bombay Bill, s. 33.

Sec 31.

Before sec. 39.

at least - omitted.

new.

as per old Bill.

do.

do.

do.

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new.

new provision.

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new provision.

Before sec. 41.
The Bank Act.
cases transfer by
endorsement of
certificates, & the
substitution of sec 11
of Mad. Act 12/55.
This is not the
case. The suggestion
the G.O. is not
abs.

27. Every transfer of stock or shares shall be in such form as the Board 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.

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 transferee is approved by the Board.

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.

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

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.

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

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;

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.

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.

Act IV of 1862, s. 11.
 Madras Act VI of 1866, s. 11.
 Bombay Bill, s. 34.

Bombay Bill, s. 35.

The Bank thought this clause wd not be necessary, if section 30 (now section 24) were omitted. But that section is not omitted - it is left in for the consideration of the legislature.

Bombay Bill, s. 37.

thirty days in old Bill. The HK suggested 31 to provide for any accidental delay.

Before section 30. The bank thought that the words - save as provided by sec. 30 (24) - should be omitted, if section 30 (24) were omitted.

The HK thought that many shares changed to shall.

Act IV of 1862, s. 30.
 Madras Act VI of 1866, s. 36.
 Bombay Bill, s. 39.

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;

Act XIII of 1875.

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.

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. (Before Ch. VIII)

DIRECTORS.

Act IV of 1862, s. 15.
 Madras Act I of 1871, s. 1.
 Bombay Bill, s. 44.

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.

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

Act IV of 1862, s. 16.
 Madras Act VI of 1866, s. 16.
 Bombay Bill, s. 45.

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.

Act IV of 1862, s. 13.
 Act XIX of 1870.
 Madras Act VI of 1866, s. 13.
 Bombay Bill, s. 41.

34. The two directors who have been longest in office shall go out of office by rotation annually 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.

Act IV of 1862, s. 14.
 Madras Act VI of 1866, s. 14.
 Bombay Bill, s. 43.

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.

This is not the case. The HK suggested 31 to provide for any accidental delay.

Before sec. 45.

Before 46.

Before 47.

Before 48.

Shall not be in the Bill.

words underlined

new.

Before sec. 42.

Before 43.

Before 44.

The HK thought that a probate from any court within the Presidency should suffice.

Under sec. 30 (24) G.O. took notice of this suggestion.

This is new, but
it is more a modi-
fication of the old
section than a new
principle. The Bank
wishes to have ar-
rangements with
them employing
no substantial

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

They provide rest.

... of the ...

any other person or persons, or shall act as broker for the sale or purchase of Government or other securities.

Refers 54.

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.

Refers Ch. XI.

CHAPTER IX.

ACCOUNTS AND DIVIDENDS.

Refers 55.

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.

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.

This is a new provision

Refers 56.

Refers 57.

omitted
Provides that the dividend to be made for the half year ending the 31st day of December shall be at a rate not exceeding 5 per cent per annum on the paid up capital of the Bank.

Act IV of 1862, s. 32.
 Madras Act VI of 1866, s. 31.
 Bombay Bill, s. 68.

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).

Act IV of 1862, s. 32.
 Madras Act VI of 1866, s. 31.
 Bombay Bill, s. 69.

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. Refers Ch. XII.

AUDIT.

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

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.

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:

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.

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

Refers 57.

Refers 58.

Refers 59.

new

Substantially the same as the clause of the former section (59)

new.

New Section

Instead of the new provision in Act IV of 1862, s. 32, the clause should be as follows -

"and no dividend exceeding the rate of ten per cent per annum on the paid up capital of the Bank shall be declared or paid unless the reserve fund amounts, at the time of such declaration or payment, to at least one equal fifth part of the paid up capital for the time being."

This is a suggestion which is made in the clause - and it is suggested that there is no objection to insert the provision for a reserve fund at all. They suggested a provision to compel the directors to deduct (pay) 10% yearly from the profits for reserve, with the proviso that this fund might, after it has reached a certain amount, be resorted to for the purpose of making up the annual dividend to (pay) three or four per cent.

This suggestion is not noticed at all - and even the clause above, which the old Bill has been omitted from the present Bill - but see cl. K. Section 63 of this Bill, which leaves the proportion which the reserve fund should bear to the paid up capital a matter for the directors.

It will be seen however that the clause in the former sec. 56, limiting the payment of dividend in 31 Dec to 5 per cent, has been struck out.

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.

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.

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.

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 *and so*.

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,

and no person shall be allowed to vote at any such meeting in respect of any stock or share acquired by transfer, unless such

Act IV of 1862, s. 33.
Madras Act VI of 1866, s. 33.
Bombay Bill, s. 46.

Act IV of 1862, s. 35.
Madras Act VI of 1866, s. 33.
Bombay Bill, s. 49.

*These words substituted for section 21 in old Bill.
See 21 provides for the purpose (see sec 20 of new Bill).*

Act IV of 1862, s. 18.
Madras Act VI of 1866, s. 18.
Bombay Bill, s. 50.

*Refer to section 20.
Before 1868.*

transfer shall have been completed and registered at least three months before the time of such meeting.

Bombay Bill, s. 55. 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.

Bombay Bill, s. 51. 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.

Bombay Bill, s. 52. 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.

Bombay Bill, s. 53. 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.

Act IV of 1862, s. 19.
Madras Act VI of 1866, s. 19.
Bombay Bill, s. 54. 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 "

new 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.

Before 67.

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:

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

introduced in compliance with the Bank's suggestion

1874 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.

substituted for the Bank of Bengal, the Bank of India, and the Bank of Calcutta

new section 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.

CHAPTER XII.

NOTICES.

Before 68 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;

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.

Before 69

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.

Bombay Bill, s. 60.

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.

Bombay Bill,

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.

CHAPTER XIII.

BYE-LAWS.

Act IV of 1862, s. 40.
Madras Act VI of 1866, s. 37.
Bombay Bill, s. 75.

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

(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,

Power of proprietors and shareholders to make bye-laws, whether general or special, make bye-laws regulating the matters mentioned in clauses (a) to (e), 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:

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 the proprietors and shareholders may, from time to time, at any meeting, Power of proprietors and shareholders to make bye-laws, whether general or special, make bye-laws regulating the matters mentioned in clauses (a) to (e), 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:

CHAPTER XIV.

MISCELLANEOUS.

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.

65. In any suit brought against any shareholder to recover any debt due for any call or other monies 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 monies 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.

47 Geo. III, sess. 2, c. 68, sec. 9.

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.

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 bona 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

new clause

newly introduced

The Bank wishes to add the words—
an order of the Secretary to the Government of India—

and they wish to insert these words, as this provision reference is made in the Bill—
If it is said that they are unwilling to authorize only by law being enacted with the previous consent.

Before (amended) Cl. XV.

Before 73.

Bombay Bill, s. 74.

new

in the case of a shareholder to recover any debt due for any call or other monies 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 monies due, whereby a right to sue has accrued to the Bank;

new
in the case of a shareholder to recover any debt due for any call or other monies 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 monies due, whereby a right to sue has accrued to the Bank;

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.*

Number and year.	Title.	Extent of repeal.
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 1866 (Bombay).	The whole.

Bill 1075
*This Bill is introduced in the Council
Sept 3rd 1873, and is the last Bill
in this Bill (see 67) is a new one.*

Government of India.

LEGISLATIVE DEPARTMENT.

A
BILL
FOR

Constituting and regulating the Banks of
Bengal, Madras and Bombay.

(Sir W. Muir.)

*Let's
Luisid Draft
Bill*

(Price annas.)

Office Supdt. Govt. Printing.—No. 205—L. D.—16-12-75—40.

In Feb 29 1875

5

September 3rd, 1873.

PRESIDENCY BANKS BILL, 1873.

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FOR

*Constituting and regulating the Banks of Bengal,
Madras, and Bombay.*

WHEREAS the Bank of Bengal is now constituted and regulated by Act
Preamble, No. IV of 1862, as amended
by Acts Nos. VI of 1862 and XIX of 1870;

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 whereas the Government of India now holds certain shares in each of the said Banks, and, under the provisions of the said Acts, is bound to appoint, and has power to remove, certain of the directors of the said Banks 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 said Banks :

And whereas it has been determined to part with the said shares, and to surrender the said powers, and to repeal the said enactments, and to consolidate them with the changes rendered necessary or expedient by such parting and surrender ;

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 Nos. XV of 1866 and 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 by the said Articles of Association, it was (amongst other things) provided that the capital of such Bank should consist of one crore of rupees, divided into twenty thousand shares of five hundred rupees each, of which ten thousand shares were to be immediately allotted as the 'First issue' and ten thousand were to be reserved for issue thereafter as hereinafter mentioned, and were to be called or known as the 'Reserved issue,' and that the capital of the said New Bank might be increased, in manner therein mentioned, by a further issue of shares not exceeding in the whole (including the said 'First' and 'Reserved' issues) forty thousand shares representing a nominal capital of two crores of rupees;

This is inserted
in the new
Bill of Dec.
1875.

And whereas the said ten thousand shares of the first issue have been already allotted to different persons, and the sum of five hundred rupees per share has been paid by the allottees thereof, and the said ten thousand shares of the reserved issue have also been allotted to different persons, and the sum of one hundred rupees per share has been paid thereon, leaving the further sum of four hundred rupees per share still payable in respect thereof;

And whereas it is expedient that the said New Bank of Bombay, Limited, so registered and incorporated as aforesaid, should be reconstituted 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.

1. This Act may be called "The Presidency Banks Act, 1873."
Short title.
- It extends to the whole of
Local extent. British India;

And it shall come into force on the first day
Commencement. of March 1874.

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

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.

See Act X of 1866, ss. 125 and 231.

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

Act IV of 1862, s. 41.
Madras Act VI of 1866, s. 38.

"The Local Government" means, in the case of the Bank of Madras, the Governor of Fort St. George in Council, and in the case of the Bank of Bombay, the Governor of Bombay in Council:

"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 in the case of the Bank of Bengal and the Bank of Madras includes also half shares and quarter 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:

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

"Proprietors" means the holders for the time being 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:

"General Meeting" means the meeting of proprietors or shareholders or both, held annually under section sixty; 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 wares and merchandize.

"Presidency of Fort St. George" means the territories for the time being under the government of the Governor of Fort St. George in Council.

"Presidency of Bombay" means the territories for the time being under the government of the Governor of Bombay in Council.

"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.

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, to form bodies corporate, Bank of Bengal, Bank of Madras, and New Bank of Bombay, Limited, or who shall, at any time thereafter, by virtue of this

Act IV of 1862, s. 2.
Madras Act VI of 1866, s. 2.
Bombay Bill, s. 2.

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—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.

5. All the property, moveable, and immoveable,

Property of Banks of Bengal and Madras and of New Bank of Bombay, Limited, to vest respectively in Banks of Bengal, Madras, and Bombay,

and all the securities, claims and demands, and the benefits of all agreements, of or to which the said Bank of Bengal, Bank of Madras, and New Bank of Bombay, Limited, 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 1874, 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 case of the said New Bank of Bombay, Limited,—the Bank of Bombay as constituted by this Act;

and the Bank shall, from and after the said first day of March 1874, 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.

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.

Act IV of 1862, s. 3.
Madras Act VI of 1866,
s. 3.
Bombay Bill, s. 3.

Bombay Bill, s. 4.

*Director and shareholder J. I.
instant liability of shareholders
and the bank limited -
it is a variation in the general
understanding of the Bank of
Bombay -
has the liability of capital paid up*

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.

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

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

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.

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 or Deputy Secretary and Treasurer of the Bank, 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.

9. The Bank is authorised 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-receipts and other securities of the Government of India;

(2) bonds, debentures, capital stock 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; and

Act IV of 1862, s. 4.
Madras Act VI of 1866,
s. 4.
Bombay Bill, s. 5.

Act IV of 1862, s. 24.
Madras Act VI of 1866,
s. 24.
Bombay Bill, s. 6.

Act IV of 1862, ss. 27,
28, 29.
Madras Act VI of 1866,
ss. 27, 28, 29.
Bombay Bill, s. 7.

- (5) goods not of a perishable nature, which, or the documents of title to which, are deposited with, or assigned to, the Bank as security for such advances, loans or credits;

(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 such part of the funds of the Bank as is not required to satisfy or provide for immediate demands, 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, to order, or otherwise than to the bearer on demand;

(f) the buying and selling of gold and silver bullion;

(g) the receiving of deposits and keeping cash accounts;

(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 pecuniary agency business on commission;

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

- (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 such securities or shares;
- (3) the investment of any money deposited in the Bank upon any of the same securities or shares on account of the depositor;
- (4) the sale or transfer of any such securities or shares deposited with the Bank, or the receipt of any principal money that may be payable thereon;

*Directors invest
in the case of the Bank of
Madras*

*to allow interest on deposits
in the case of the Bank of
Madras*

*India
Kotayam. but only business
S.K. in the case of the Bank of
Madras as "K" as "C"*

- (5) the investment of the principal and interest and dividends so received, or the proceeds of such sale as last aforesaid, upon any such 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;

(6) 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;

(7) the buying of bills of exchange payable out of India for the purpose of meeting such bills or letters of credit.

(k) 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,

Act IV of 1862, s. 29.
Madras Act VI of 1866,
s. 29.

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

(2) to act as agent for the payment or exchange of promissory notes issued under the Indian Paper Currency Act, 1871,

(3) 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—

(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; or

(d) by way of discount on any negotiable security of any individual or partnership firm, which does not carry on it the several responsibilities of at least two persons or firms unconnected with each other in general partnership; or

Act IV of 1862, s. 30.
Madras Act VI of 1866,
s. 27.
Bombay Bill, s. 8.

Act III of 1840, s. 27.
Report of Commissioners
on failure of Bank of
Bombay. Blue Book:
London, 1869.

*Directors
4 months interest on money
in the case of the Bank of
Madras*

*S.K. in the case of the Bank of
Madras as "K" as "C"*

(e.) at one and the same time to any individual or partnership firm, by way of discount or otherwise (except upon the security mentioned in section nine, paragraph (a)) beyond the amount of three lakhs of rupees;

and the directors shall not discount any negotiable security which shall have a longer period to run than three months.

Sums payable by or to Government to be payable at Banks. 11. Until the expiration of fourteen days after notice has been given—

in the case of the Bank of Bengal, by notification of the Governor General in Council in the *Gazette of India* and the *Calcutta Gazette*, and

in the case of the Bank of Madras and the Bank of Bombay, by notification of the Local Government in the local official *Gazette*,

that the treasury of the Government will no longer be held at the Bank,

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 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 Bank of Bengal;

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

in the case of the Governor of Bombay in Council—at 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—

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

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

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

Nothing in this section shall render it necessary to present at 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.

Act V of 1862, s. 1.

Act V of 1862, ss. 2 & 4.

Act V of 1862, s. 5.

13. The principal 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; Bombay Bill, s. 9.

Place of business.

and the business of the Bank shall be carried on at its principal 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 in which to carry on and manage the business of the Bank, the directors may— Bombay Bill, s. 10.

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 bought, hired, or rented 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 resell 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 or discontinue at their discretion as Branches or Agencies of the Bank, any Branches or Agencies of the Bank of Bengal, the Bank of Madras, or the New Bank of Bombay, Limited (as the case may be), which may be in existence on the first day of March 1874, Act IV of 1862, s. 36.
Madras Act VI of 1866, s. 35.
Bombay Bill, s. 72.

and, from time to time, to discontinue, or (with the previous consent of the Governor General in Council) to form business agencies, or Branch Banks, at such places as they deem advantageous to the interest of the Bank.

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 town of Bombay, and shall not transact any business except as sub-agent of the principal office of the Bank, or of one of its branches.

Proviso.

16. The directors may, if authorised to do so by a special resolution, and with the previous sanction of the Governor General in Council, from time to time, purchase the business of any other bank in British Act IV of 1862, s. 37 altered.
Bombay Bill, s. 73.
N. B.—There is no such clause in Madras Act VI of 1866.

Power to purchase business of any other Bank.

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.

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

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

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

18. The capital of the said New Bank of Bombay, Limited, already created, shall, on the first day of March 1874, constitute the capital of the Bank of Bombay, subject to be increased as aforesaid;

and the several persons and bodies corporate, who shall then be shareholders of the said New Bank of Bombay, Limited, or the executors or administrators of such shareholders respectively, shall be entitled to be, and (subject to the provisions hereinafter contained) shall be, placed on the register of shareholders of the Bank, as holders of a like number of shares of the Bank as then

Act IV of 1862, s. 5.

Madras Act VI of 1866, s. 5.

Bombay Bill, s. 11.

were registered in their names respectively, or in the names of the persons whom they represent respectively, in the register of shareholders 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 wholly paid up.

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,

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.

20. If, on the first day of March 1874, any shareholder of the said New Bank of Bombay, Limited, be dead, or in case, by reason of bankruptcy or insolvency, or (in the case of a female) by reason of marriage, or by any other lawful means other than by transfer, some other persons have become entitled to, or interested in, the shares of such shareholder in the said New Bank of Bombay, Limited, then and, in case of death, the executors or administrators of such shareholder, and, in the other cases aforesaid such other person so entitled or interested as aforesaid, may, upon producing such evidence as the Board think sufficient, either be registered himself as the holder of a like number of shares in the Bank as he has, so as aforesaid, become entitled to, or interested in, of shares in the said New Bank of Bombay, Limited, by reason of death, bankruptcy, insolvency, or marriage, or other lawful means aforesaid, or may elect to have some person nominated by him and approved by the Board registered as such holder:

Provided that, if he elect to have his nominee so registered, he shall testify the election by executing an instrument in writing under his hand, in such form as the Board prescribe in this behalf, and, until he does so, such nominee shall not be entitled to be placed on the register in respect of such shares:

Provided also that, in case such shareholder be, at the time of his death, bankruptcy, insolvency, marriage, or cesser of interest, indebted or under liability to the said New Bank of Bombay, Limited, or to the Bank of Bombay, the Board may refuse to recognize the right of his executor or administrator, or the said other person, so as aforesaid becoming entitled or interested to or in any shares in the said New Bank of Bombay, Limited, of such shareholder, or any nominee of such executor, administrator, or other person aforesaid to be registered in respect of such share or shares as holder of any shares in the Bank until such debt or liability has been paid, satisfied, or secured to the satisfaction of the Board.

Act IV of 1862, s. 17.
Madras Act VI of 1866
s. 7.

Bombay Bill, s. 13.

*Directors in suit
"of Bombay"*

*Directors in suit
"of Bombay"*

50

Increase and Reduction of Capital.

21. The proprietors and shareholders of the Bank may from time to time by special resolution, and with the previous sanction by 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 shareholders or proprietors (present in person or by proxy) holding at least two-thirds of the paid-up capital of the Bank for the time being, and two-thirds in number of the shares then issued, poll by open voting in favour of the said resolution.

22. 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.

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-one shall be subject to the provisions of this or any other Act regulating the Bank for the time being in force.

CHAPTER V.

CALLS ON SHARES IN THE BANK OF BOMBAY.

24. Unpaid calls on any shares held by a shareholder in the Bank of Bombay and all other moneys payable by any shareholder to the Bank pursuant to this Act

Act IV of 1862, s. 6.
Madras Act VI of 1866,
s. 6.

*Similar to sub-section 66
Sec. 66 - after full discussion
in Leg. 1/81 on 22 Aug. 66
Subject to Board of Shareholders*

Bombay Bill, s. 16.

Bombay Bill, s. 17.

or any byelaw made hereunder, shall be deemed a debt due from such shareholder to the Bank and within the meaning of sections thirty and seventy-four.

25. The Board may from time to time make such calls upon the shareholders in the Bank of Bombay in respect of all moneys unpaid on their shares, not exceeding in the whole five hundred rupees per share, as the Board think fit;

and every shareholder shall be liable to pay the amount of every call to the persons, and at the time and place, appointed by the Board.

26. Three months' notice at the least shall be given of the time and place appointed by the Board for the payment of every call.

27. No one call shall exceed one hundred and twenty-five rupees per share, and at least three months shall intervene between the times appointed for the payment of two successive calls.

28. A call shall be deemed to have been made on the day when the resolution by the Board authorizing the call is published in the *Bombay Government Gazette*.

29. If any shareholder fail to pay any call due from him on the day appointed for payment thereof, he shall be liable to pay interest for the same at the highest rate current for advances by way of local discounts by the Bank, from the day appointed for the payment thereof, for the period intervening between that date and the time of actual payment.

CHAPTER VI.

FORFEITURE OF STOCK AND SHARES.

30. If any proprietor or shareholder becomes indebted to the Bank, the proprietors or shareholders 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 towards payment thereof;

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 *Gazette* such stock or shares

Bombay Bill, s. 18.

Bombay Bill, s. 19.

Bombay Bill, s. 20.

Bombay Bill, s. 21.

Bombay Bill, s. 22.

Act IV of 1862, s. 33.
Madras Act VI of 1866,
s. 33.
Bombay Bill, s. 23.

*Similar to sub-section 66
Act 5 of 62 - omitted from
Act 6 of 66 - after full discussion
in Leg. 1/81 on 22 Aug. 66
Subject to Board of Shareholders*

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 towards payment of the said debt, with interest at the rate of six per cent. per annum, paying over the surplus, if any, to such proprietor or shareholder or to his lawful representative.

31. If any shareholder in the Bank of Bombay fail to pay any call due from him on the appointed day, the Board may, at any time thereafter, so long as the call remains unpaid, serve a notice on him requiring him to pay the call, together with any interest accrued due thereon by reason of non-payment as aforesaid. Bombay Bill, s. 24.

32. Such notice shall name a day (not being less than thirty, or, if the shareholder be not resident in India, ninety, days from the date of the notice) and a place or places on and at which the call and interest are to be paid: the notice shall also state that, in the event of the non-payment of such call and interest at the time and place appointed, the share in respect of which the call was made will be liable to be forfeited. Bombay Bill, s. 25.

33. If the requisitions of any such notice be not complied with, every or any share in respect of which the notice is given may be forfeited by a resolution of the Board to that effect. Bombay Bill, s. 26.

34. When any share is so declared to be forfeited, notice of the forfeiture shall be given to the holder of the share, and an entry of forfeiture, with the date thereof, shall forthwith be made in the register. Bombay Bill, s. 27.

35. Every share so forfeited shall thereupon be the property of the Bank of Bombay; and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof, or to any other person, upon such terms and in such manner as the Board think fit. Bombay Bill, s. 28.

36. Any shareholder in the Bank of Bombay whose shares are forfeited shall, notwithstanding the forfeiture, be liable to pay to the Bank all calls owing upon the shares at the time of forfeiture, and the interest (if any) due thereon. Bombay Bill, s. 29.

37. The forfeiture of a share in the Bank of Bombay shall involve the extinction, at the time of the forfeiture, of all interest in all claims and demands against the Bank in respect of the share, and all other rights save such as are expressly saved by this or any other Act regulating the Bank for the time being in force. Bombay Bill, s. 30.

38. An entry of every such forfeiture, with the date thereof, shall be made in the minutes of the proceedings of the directors at the time when such forfeiture is made, and shall be conclusive evidence of such forfeiture having been duly made. Bombay Bill, s. 31.

CHAPTER VII.

CERTIFICATES AND TRANSFER OF SHARES AND STOCK.

39. Every shareholder shall be entitled to a certificate, under the corporate seal of the Bank, and signed by at least two Directors and the Secretary and Treasurer, specifying the shares held by him, and the amount paid thereon, Bombay Bill, s. 32.

and any proprietor of more than one quarter share may, at his option, demand a certificate for each such quarter share, or one or more certificates for all or any of such quarter 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 quarter shares in respect of which they are so delivered.

A receipt shall, in like manner, be delivered to the proprietor of any capital stock, 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.

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 seventy-two.

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

40. 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. Act IV of 1862, s. 10.
Madras Act VI of 1866, s. 10.
Bombay Bill, s. 33.

41. 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 Act IV of 1862, s. 11.
Madras Act VI of 1866, s. 11.
Bombay Bill, s. 34.

*Director's power transfer
by inst. & ad. sub. to the Secy
= 2 Dec. 11. Act 6 of 1866 (M)*

as the Board may require to prove the title of the transferor.

Every such transfer shall be verified in manner as the Board require, and the Board may require evidence of transmission. 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 transferee is approved by the Board.

The Board may decline to register any transfer of stock or shares whilst the proprietor or shareholder making the same is either alone, or jointly with any other person, indebted to the Bank on any account.

42. 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 twenty-one days in any one year.

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

and save as provided by section thirty, 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;

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.

44. 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;

or who has obtained a certificate in respect of the estate of the deceased under Act No. XXVII of 1860, 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.

Bomlay Bill s. 35.

Bombay Bill, s. 37.

Act IV of 1862, s. 12.
Madras Act VI of 1866,
s. 12.
Bombay Bill, s. 38.

Act IV of 1862, s. 39.
Madras Act VI of 1866,
s. 36.
Bombay Bill, s. 39.

CHAPTER VIII.

DIRECTORS.

45. 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.

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

46. The persons who, on the first day of March 1874, 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.

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

No director so retiring shall be eligible for re-election at such meeting, and, in case any question arise as to which of the directors who have been the same time in office, shall retire, it shall be decided by the directors by ballot.

48. *Clause 1.*—No person shall be eligible or qualified to serve as a director who shall not be a proprietor in his own right of unincumbered stock or shares to the amount of ten thousand rupees at the least;

Clause 2.—No person shall be eligible or disqualified of 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 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;

If he is a Judge of any High Court; or

Act IV of 1862, s. 15.
Madras Act I of 1871,
s. 3.
Bombay Bill, s. 44.

Act IV of 1862, s. 16.
Madras Act VI of 1866,
s. 16.
Bombay Bill, s. 45.

Act IV of 1862, s. 13.
Act XIX of 1870,
Madras Act VI of 1866,
s. 13.
Bombay Bill, s. 41.

Act IV of 1862, s. 14.
Madras Act VI of 1866,
s. 14.
Bombay Bill, s. 43.

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

Clause 3.—No two persons who are partners of the same mercantile firm, or of the same firm to serve 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.

Clause 4.—The proprietors or shareholders may, Power to remove by a special resolution directors. passed by the votes of proprietors or shareholders holding in the aggregate not less than *two-thirds* 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.

49. At the first meeting of the directors in every year, they shall choose Directors to choose a President. a president from among themselves,

and whenever the office of president becomes vacant, they shall, at their next meeting, choose a successor for the remainder of the current year,

and, during any vacancy, or in the absence of the president, the director present who has been longest in office shall be vice-president for the time,

and any question as to which of the directors who have been the same time in office shall be vice-president shall be decided by the directors by ballot.

Such president or vice-president shall have the casting vote in all cases of an equal division of votes at meetings either of directors or proprietors or shareholders.

50. 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 forty-eight, of any director.

Any director so appointed shall, for the purposes of sections forty-seven and forty-nine, 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.

CHAPTER IX.

OFFICERS OF THE BANK.

Appointment, salaries, suspension, and removal of officers.

51. The directors shall have power—
to appoint such officers, clerks, and servants as may be necessary to conduct the business of the Bank,

Act IV of 1862, s. 22.
Madras Act VI of 1866,
s. 22.
Bombay Bill, s. 46.

Act IV of 1862, s. 17.
Madras Act VI of 1866,
s. 17.
Bombay Bill, s. 47.

Act IV of 1862, s. 25.
Madras Act VI of 1866,
s. 25.
Bombay Bill, s. 62.

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

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

52. The Secretary and Treasurer, or Secretary or Deputy Secretary and Treasurer, or Deputy 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, and 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.

53. No Secretary and Treasurer, Secretary, Deputy Secretary and Treasurer, Deputy Secretary, Inspector, Agent, Manager, Accountant, Khazanchi, or Shroff in the service of the Bank, or 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.

54. Every person appointed to hold, or act in, Security from officers, 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 XI.

ACCOUNTS AND DIVIDENDS.

55. 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 transmitted 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.

Act IV of 1862, s. 23.
Madras Act VI of 1866,
s. 23.
Bombay Bill, s. 63.

Act IV of 1862, s. 26.
Madras Act VI of 1866,
s. 26.
Bombay Bill, s. 64.

Act IV of 1862, s. 31.
Madras Act VI of 1866,
s. 30.
Bombay Bill, s. 66.

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 the directors shall comply with every such requisition.

56. 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 fifty-seven:

Provided that the dividend to be made for the half-year ending the thirty-first day of December, shall be at a rate not exceeding five per cent. per annum on the paid-up capital of the Bank.

No unpaid dividend shall bear interest as against the Bank.

57. 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 no dividend exceeding the rate of ten per cent. per annum on the paid-up capital of the Bank shall be declared or paid unless the reserve fund amounts, at the time of such declaration or payment, to at least one equal fifth part of the paid-up capital for the time being.

58. 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 XII.

AUDIT.

59. At the first general meeting held after the first day of March 1874, two Auditors for the current year may be elected, and their remuneration fixed, and, in like manner, two Auditors may be elected and their remuneration fixed at the general meeting in each subsequent year:

Act IV of 1862, s. 32.
Madras Act VI of 1866,
s. 31.
Bombay Bill, s. 67.

Act IV of 1862, s. 32.
Madras Act VI of 1866,
s. 31.
Bombay Bill, s. 68.

Act IV of 1862, s. 32.
Madras Act VI of 1866,
s. 31.
Bombay Bill, s. 69.

Act IV of 1862, s. 34.
Madras Act VI of 1866,
s. 33.
Bombay Bill, s. 71.

Provided that the persons who shall be Auditors on the first day of March 1874, shall be and continue to act as Auditors until the said first general meeting.

CHAPTER XIII.

MEETINGS.

60. 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.

61. Any three directors or any ten proprietors or shareholders 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 at least two English and one Vernacular daily newspapers:

Provided that three months' previous notice shall be given of any special meeting held for the purposes of section twenty-one.

62. 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-one, and in section forty-eight, clause 4, is specially provided,

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 three months at the least before the time of such meeting.

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.

63. A declaration by the chairman of any meeting, except a special meeting held under section twenty-one, 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 at least five proprietors or shareholders present and entitled to vote at such meeting.

Act IV of 1862, s. 33.
Madras Act VI of 1866,
s. 32.
Bombay Bill, s. 46.

Act IV of 1862, s. 35.
Madras Act VI of 1866,
s. 33.
Bombay Bill, s. 49.

Act IV of 1862, s. 18.
Madras Act VI of 1866,
s. 18.
Bombay Bill, s. 50.

Bombay Bill, s. 55.

Bombay Bill, s. 51.

64. 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.

65. 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.

66. 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 "

No proprietor or shareholder shall be entitled to more than seven votes.

67. 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.

Proxies existing and in force with reference to the Bank of Bengal, the Bank of Madras, or the New

Bombay Bill, s. 52.

Bombay Bill, s. 53.

Act IV of 1862, s. 19.
Madras Act VI of 1866,
s. 19.
Bombay Bill, s. 54.

Act IV of 1862, s. 21.
Madras Act VI of 1866,
s. 21.
Bombay Bill, s. 56

Handwritten note:
"Provided that the proxy must be given in writing and be produced to the Bank at least three clear days before the meeting."

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

(f) 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,

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

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

(i) the management of the Branch Banks and Agencies,

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

(l) and, generally, for the conduct of the business of the Bank,

and the proprietors and shareholders may from time to time, at any meeting, make bye-laws 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 :

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, such approval to be signified in writing under the hand of a Secretary to the Government of India.

CHAPTER XV.

MISCELLANEOUS.

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

74. In any suit brought against any shareholder to recover any debt due for any call or other monies due from such shareholder 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 monies 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

Bombay Bill, s. 74.

Bank of Bombay, Limited, on the first day of March, 1874, shall continue in force and be available at meetings under this Act, anything herein contained notwithstanding.

CHAPTER XIII.

NOTICES.

68. 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 ;

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.

69. Every notice to be given on the part of any proprietor or shareholder shall be left at the principal 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.

70. Every person who, by operation of law, transfer, 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.

71. 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.

CHAPTER XIV.

BYE-LAWS.

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

- (a) the distribution of business amongst the directors,
- (b) their remuneration,
- (c) the procedure at the meetings of the Board or any Committee of the directors,
- (d) the bills which may be discounted and the amount which may be advanced by way of discount,

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.

Number and year.	Title.	Extent of repeal.
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.

Government of India.

LEGISLATIVE DEPARTMENT.

A
BILL
FOR

Constituting and regulating the Banks of Bengal,
Madras and Bombay.

(Sir R. Temple.)

First Draft of Bill

(Price annas.)

In No 4 Oct 1873-1424

Govt. Central Press, Simla. — 4973 — 100 copies.

(25)

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 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 in the case of a suit for the recovery of a debt due for a call 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 such call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

75. 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.

47. Geo. III, sess. 2, c. 68, sec. 9.

SCHEDULE.

(SEE SECTION 2.)

Part I.—Statute.

Number and year.	Abbreviated Title.	Extent of repeal.
47 Geo. 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.

G.O. 15 Jan 7/76, 11294.

From Ch. of Commerce,
25 Jan 7/76.The Presidency Banks Bill. 1876.

The above Bill was sent to the Chamber of Commerce and the Directors of the Bank of Madras for their views on the bill in its present form.

The Chamber of Commerce, as representing the trade of Madras, say that there is nothing in the Bill to which they need take exception.

The Bank Directors say that they have already forwarded their views to the Govt of India in the Legislative Dept, in accordance with instructions received direct, but they state their views, as under—

Reduction of Capital.

Preamble. As a further reduction of 62½ shares have been agreed upon, they wish the full reduction to be stated, and the words about the nominal value of the shares held by Govt to be struck out.

Limited Liability.

Section 4. They still wish a clause expressly limiting liability.

Purchase of Business of other Banks.

Section 16. The Directors wish their section altogether as conferring a dangerous power on the shareholders. At all events they would make the power subject to the sanction of the Govt. Govt, & restrict it to their own Presidency.

Section 17. The Directors say that the capital of the Bank should now be maintained at Rs 50,00,000 - not Rs 50,62,500.

Section 20. As to the number & property qualification of the shareholders passing a resolution for this purpose, the Directors would omit the words "at least one half in the number of," and would raise the property qualification from one half to two thirds of the paid up capital.

Section 35, cl: 2. To meet the objection of members of Mercantile Firms being Bank Directors, the Directors w^d say of any Joint Stock Bank instead of any other Bank.

Section 37. The Directors w^d omit the words or from his temporary absence from the Board exceeding one month.

Section 40. They would insert Govt securities before Promissory Notes.

Section 41. They would introduce Cashier before Khazanchi.

Section 48. The Directors think that the Auditors should only be entitled to demand from the Bank Directors or Officers information or explanation relating to the Accounts, instead of employing Accountants at the expense

Capital of Bank.

Power to increase or reduce capital.

Disqualification for seat in the direction.

Vacancy from absence.

Power of Secy & Treas^r to endorse Securities.

Officers forbidden to trade.

Rights of Auditors.

Notice of Meetings.

Persons not allowed to vote.

of the Bank, and examining the Directors and Officers.

Section 50. They recommend the word Daily being omitted before in respect to Vernacular Newspapers, as there are no such daily publications in Madras.

Section 52. After no person They would insert "other than a Branch Director of the said Bank" this to meet the objection as to the right ^{to vote} of a Director who may not have held his shares for 3 months.

The Memo. directed to be prepared of the old Bill of 1873 (with the comments & proposals thereon) and of the Bill in its present form, is attached to this paper.

LB

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letters from

The Chamber of Commerce, 25th Jan 7/76.

From the Directors, Bank of Madras, 24 Jan 7/76.

Order ¹⁴⁴ February 1876 No 313.

Ordered that the papers
above recorded be transmitted
to the Govt of India in the Legis-
lative Dept, with reference to letter
dated 16 Dec 75, No 764.

2. The Chamber of Commerce
see no objection to the Presidency
Bank's Bill in its present form;
but the Directors of the Madras
Bank suggest a few amendments
in the propriety of which the
Govt concur.

①

To Chamber of Commerce - 3 } Despd 22/2
Directors Bank of Madras. 3 }
70
15

I have perused the
above papers and
am satisfied that
the Chamber of Commerce
of this city - I say
we have no further
objections to offer.

MR

I concur
7/2 MR

File dated 10/1/76
No 110

Recd 22/12/76
on 15/12/76

No. 314

Financial Dept

The Secretary to the
Govt of India,
Legislative Dept.

Sir,

I am directed, in reply to your
letter dated 11 Dec/75, No. 764, to for-
ward the accompanying Commu-
nications from the Chamber of
Commerce & the Directors of the
Bank of Madras, on the provisions
of the Presidency Banks Bill, 1876,
in its present form, and to state
that this Govt agree with the latter
in the suggestions ^{now} made by them, &
~~to~~ recommend that the proposed
amendments be adopted in the Bill.
This Govt have no further suggestions
to offer beyond those submitted in my
letter dated 19 January 1874, No. 76 in
this Dept.

2. The Chamber of Commerce, it
will be observed, have no objection to the
Bill as it now stands.

3. I am to add that the Bill,
with the Statement of Objects & Reasons,
was duly published in the Fort St.
George Gazette - Supplement, dated 28
Dec/75.

As to the Bill
No. 314

For R. George
The Secretary

[Signature]

38-12-11

Obbt. of 1876 *Quarries*



Heil

To

Dated *14-3* 1876, No. 37
Recd. *Feb*

Nos. 132-155

Cells - separate lines

There is the provision of the
Breeding, Paula Bell, from
with the the body of the
the recommended that the
arrangement be made by the
Director of the State of the
may be adopted in the State