

Repealed by Act 58 of 1960, S. 2 + Sch. I (w.e.f. 26-12-60)

THE RESERVE BANK OF INDIA (AMENDMENT)

ACT, 1955

ACT No. 24 OF 1955

[8th May, 1955]

An Act further to amend the Reserve Bank of India Act, 1934.

BE it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Reserve Bank of India (Amendment) Act, 1955.

Amendment
of section 2,
Act 2 of
1934.

2. In section 2 of the Reserve Bank of India Act, 1934 (herein after referred to as the principal Act), after clause (b), the following clause shall be inserted, namely:—

“(bb) ‘co-operative credit society’ means a society registered, or deemed to be registered, under the Co-operative Societies Act, 1912, or any other law relating to co-operative societies for the time being in force in any part of the territories to which this Act extends, the primary object of which is to provide financial accommodation to its members and includes a co-operative land mortgage bank;”^{21 of 1912.}

Amendment
of section 6,
Act 2 of
1934.

3. In section 6 of the principal Act, the words “and a branch in London” shall be omitted.

Amendment
of section
Act 2 of
1934.

4. In section 8 of the principal Act, in clause (a) of sub-section (1), for the word “two”, the word “three” shall be substituted.

Amendment
of section 13,
Act 2 of
1934.

5. In sub-section (3) of section 13 of the principal Act, for the words “in his absence”, the words “if for any reason, he is unable to attend,” shall be substituted.

Amendment
of section 17,
Act 2 of
1934.

6. In section 17 of the principal Act,—

(a) in clause (4),—

(i) after the words “State co-operative banks”, the words and figures “State Financial Corporations established under the State Financial Corporations Act, 1951” shall be inserted;^{63 of 1951.}

(ii) in sub-clause (c), after the words “the Bank”, the words “or as are fully guaranteed as to the repayment of

the principal and payment of interest by a State Government" shall be inserted;

(iii) in sub-clause (d), for the words "a cash credit or overdraft granted", the words "a loan or advance made" shall be substituted;

(b) for clause (4A), the following clause shall be substituted, namely:—

"(4A) the making of loans and advances out of the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund established under section 46A and section 46B respectively for the purposes specified in the said sections;"

7. After section 46 of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 46A and 46B in Act 2 of 1934.

"46A. (1) The Bank shall establish and maintain a Fund to be known as the National Agricultural Credit (Long Term Operations) Fund to which shall be credited—

National Agricultural Credit (Long Term Operations) Fund.

(a) an initial sum of ten crores of rupees by the Bank; and

(b) such further sums of money as the Bank may contribute every year:

Provided that the annual contribution during each of the five years commencing with the year ending on the 30th day of June, 1956 shall not be less than five crores of rupees:

Provided further that the Central Government may, if the circumstances so require, authorize the Bank to increase or reduce the amount of its annual contribution in any year.

(2) The amount in the said Fund shall be applied by the Bank only to the following objects, namely:—

(a) the making of loans and advances to State Governments for subscribing directly or indirectly to the share capital of a co-operative credit society and repayable on the expiry of fixed periods not exceeding twenty years from the date of making such loan or advance;

(b) the making to State co-operative banks of loans and advances for agricultural purposes, repayable on the expiry of fixed periods not being less than fifteen months and not exceeding five years from the date of making such loan or advance, against such securities as may be specified in this behalf by the Bank:

Provided that such loans and advances are fully guaranteed as to the repayment of the principal and payment of interest by the State Government;

(c) the making to Central Land Mortgage Banks of loans and advances repayable on the expiry of fixed periods not exceeding twenty years from the date of making such loan or advance:

Provided that such loans and advances are fully guaranteed as to the repayment of the principal and payment of interest by the State Government;

(d) the purchase of debentures of Central Land Mortgage Banks:

Provided that such debentures are fully guaranteed as to the repayment of the principal and payment of interest by the State Government.

Explanation.—For the purposes of this section, a Central Land Mortgage Bank includes an institution engaged in the grant of loans on the mortgage of agricultural land and declared as such by the State Government in this behalf.

National
Agricultural
Credit
(Stabilisa-
tion) Fund.

46B. (1) The Bank shall establish and maintain a Fund to be known as the National Agricultural Credit (Stabilisation) Fund to which shall be credited such sums of money as the Bank may contribute every year:

Provided that the annual contribution during each of the five years commencing with the year ending on the 30th day of June, 1956 shall not be less than one crore of rupees:

Provided further that the Central Government may, if the circumstances so require, authorize the Bank to increase or reduce the amount of its annual contribution in any year.

(2) The amount in the said Fund shall be applied by the Bank only to the making to State co-operative banks of loans and advances repayable on the expiry of fixed periods not being less than fifteen months and not exceeding five years from the date of making such loan or advance and on such terms and conditions as may be specified in this behalf by the Bank:

Provided that no such loans or advances shall be made—

(a) except for the purpose of enabling the State co-operative banks to pay any dues in respect of bills of exchange and promissory notes purchased or rediscounted by the Bank under clause (2) of section 17 or loans and advances made to them by the Bank under clause (4) of section 17, and unless, in the opinion of the Bank, the State

co-operative banks are unable to pay such dues in time owing to drought, famine or other natural calamities; and

(b) unless such loans and advances are fully guaranteed as to the repayment of the principal and payment of interest by the State Government.”.

8. In section 47 of the principal Act, for the words “and such other contingencies as”, the words “and for all other matters for which provision is to be made by or under this Act or which” shall be substituted. Amendment of section 47, Act 2 of 1934.

9. In sub-section (1) of section 52 of the principal Act, the words “if appointed by it or at the expense of the Central Government if appointed by that Government” shall be omitted. Amendment of section 52, Act 2 of 1934.

10. After section 54 of the principal Act, the following section shall be inserted, namely:— Insertion of new section 54A in Act 2 of 1934.

“54A. (1) The Governor may, by general or special order, delegate to a Deputy Governor, subject to such conditions and limitations, if any, as may be specified in the order, such of the powers and functions exercisable by him by or under this Act or under any other law for the time being in force as he may deem necessary for the efficient administration of the functions of the Bank. Delegation of powers.

(2) The fact that a Deputy Governor exercises any power or does any act or thing in pursuance of this Act shall be conclusive proof of his authority to do so.”.

11. In the First Schedule to the principal Act, in paragraph 3, for the word “Kashmir”, the words “Jammu and Kashmir” shall be substituted. Amendment of the First Schedule Act 2 of 1934.