THE RESERVE BANK (TRANSFER TO PUBLIC OWNERSHIP) ACT, I948

ARRANGEMENT OF SECTIONS

SECTIONS

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THE SCHEDULE [*Repealed.*]

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THE RESERVE BANK (TRANSFER TO PUBLIC OWNERSHIP) ACT, I948

ACT NO. 62 OF 1948

[23*rd September*, 1948.]

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

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

It is hereby enacted as follows:—

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

2. Definitions.—In this Act,—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[1][(*3*) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.]

7. [*Amendment to Act 2 of* 1934.]—*Rep. by the Repealing and Amending Act*, 1950 (35 *of* 1950), *s.* 2 *and the First Schedul*e (*w.e.f.* 10-4-1950).

[*THE SCHEDULE.*]—*Rep. by s.* 2 *and the First Schedule, ibid.* (*w.e.f.* 10-4-1950).

1. Added by Act 4 of 2005, s. 2 and the Schedule (w.e.f. 11-1-2005).