

**RESERVE BANK (TRANSFER TO PUBLIC OWNERSHIP) ACT,
1948****62 of 1948****[23rd September, 1948]**

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**RESERVE BANK (TRANSFER TO PUBLIC OWNERSHIP) ACT,
1948****62 of 1948****[23rd September, 1948]**

STATEMENT OF OBJECTS AND REASONS "The Reserve Bank of India, as at present constituted, is privately owned institution incorporated by a special A With a view to implement the Government policy that the Bank should function as a State-owned institution and to me the general desire that the control of Government over the Bank's activities should be extended to ensure a greater ordination of the monetary, economic and financial policies, the Bill has been framed to provide- (1) for the acquisition of all shares of the Bank held by members of the public against payment of compensation (2) for enabling Government, after consultation with the Bank's Governor, to give directions to the Bank in matte of policy; (3) for amending the constitution of the Central and Local Boards which at present mainly represent the shareholders; (4) effecting certain amendments including consequential amendments in the Reserve Bank of India Act, 1934."- Gaz. of Ind., 1948, Pt. 5, page 487.

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 India¹ constituted by the principal Act; and

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

1. 1st January, 1949, see Notification No. F3(43)-F.I/48, dated the 19th October, published in 1948.-Gaz.of Ind., Extra, P. 1657.

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 therefor, 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 that 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 Government 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.

5. Interim arrangements :-

Pending the constitution of the Central Board under S.8 OF THE Prohibition of Beggary Act, 1975 as amended by this Act, the Governor of the Bank, or in his absence a Deputy Governor or the Bank duly nominated by him in this behalf, may, subject to such restrictions and conditions as made 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. Note.- The section makes provision for interim period between the appointed day and the constitution of the Central Board under S.8 of the Reserve Bank of India Act. 1934.

6. Rule-making power :-

(1) The Central Government may, by notification in the Official Gazette, make rules¹ 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 provide-

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

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

1. See "Reserve Bank (Transfer to Public Ownership) Rules, 1948."- Gaz. of Ind., 1948, Extra, p. 1657.

7. Amendment to Act 2 of 1934 :-

Repealed by the Repealing and Amending Act, 1950 (35 of 1950)]