

Bill No. 56 of 2020

THE BANKING REGULATION (AMENDMENT) BILL, 2020

A

BILL

further to amend the Banking Regulation Act, 1949.

BE it enacted by Parliament in the Seventy-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Banking Regulation (Amendment) Act, 2020.

Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

10 Provided that different dates may be appointed for different provisions of this Act and that different dates may be appointed for state co-operative banks, central co-operative banks and primary co-operative banks and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

10 of 1949. 2. In the Banking Regulation Act, 1949 (hereinafter referred to as the principal Act), for section 3, the following section shall be substituted, namely:—

Substitution of new section for section 3.

61 of 1981. '3. Notwithstanding anything contained in the National Bank for Agriculture and Rural Development Act, 1981, this Act shall not apply to—

Act not to apply to certain co-operative societies.

(a) a primary agricultural credit society; or

(b) a co-operative society whose primary object and principal business is providing of long term finance for agricultural development,

if such society does not use as part of its name, or in connection with its business, the words "bank", "banker" or "banking" and does not act as drawee of cheques.' 5

Amendment
of section 56.

3. In section 56 of the principal Act,—

(A) in the opening portion, for the words "The provisions of this Act, as in force for the time being," the words "Notwithstanding anything contained in any other law for the time being in force, the provisions of this Act" shall be substituted;

(B) in clause (a), after sub-clause (ii), the following sub-clauses shall be inserted, 10
namely:—

'(iii) references to "memorandum of association" or "articles of association" shall be construed as references to bye-laws;

(iv) references to the provisions of the Companies Act, 1956, except in 1 of 1956.
Part III and Part IIIA, shall be construed as references to the corresponding 15
provisions, if any, of the law under which a co-operative bank is registered;

(v) references to "Registrar" or "Registrar of Companies" shall be construed as references to "Central Registrar" or "Registrar of Co-operative Societies", as the case may be, under the law under which a co-operative bank is registered;'

(C) clause (d) and sub-clauses (i) and (iii) of clause (e) shall be omitted; 20

(D) in clause (f),—

(i) the words "or co-operative land mortgage banks"; and

(ii) the words "or a co-operative land mortgage bank",

shall be omitted;

(E) clauses (fi), (fii) and (g) shall be omitted; 25

(F) for clause (i), the following clause shall be substituted, namely:—

'(i) for section 12, the following section shall be substituted, namely:—

"12. (1) A co-operative bank may, with the prior approval of the Reserve Bank, issue, by way of public issue or private placement,—

Issue and
regulation of
paid-up share
capital and
securities by
co-operative
banks.

(i) equity shares or preference shares or special shares, 30
on face value or at premium; and

(ii) unsecured debentures or bonds or other like securities with initial or original maturity of not less than ten years,

to any member of such co-operative bank or any other person residing within its area of operation, subject to such conditions and 35
ceiling, limit or restriction on its issue or subscription or transfer, as may be specified by the Reserve Bank in this behalf.

(2) Save as otherwise provided in this Act,—

(i) no person shall be entitled to demand payment towards surrender of shares issued to him by a co-operative 40
bank; and

(ii) a co-operative bank shall not withdraw or reduce its share capital, except to the extent and subject to such conditions as the Reserve Bank may specify in this behalf.";

5 (G) clauses (l), (n), (p), sub-clauses (ii) and (iv) of clause (q), clauses (r), (ria) and (sa), sub-clause (i) of clause (t), clauses (u), (v), (x), (y), (z) and (za) shall be omitted;

(H) in clause (zaa),—

(i) for the words "multi-State co-operative bank" wherever they occur, the words "co-operative bank" shall be substituted;

10 (ii) after the portion beginning with "36AAA. (i)Where the Reserve Bank is satisfy" and ending with "shall not exceed five years.", the following proviso shall be inserted, namely:—

15 "Provided that in case of a co-operative bank registered with the Registrar of Co-operative Societies of a State, the Reserve Bank shall issue such order in consultation with the concerned State Government seeking its comments, if any, within such period as the Reserve Bank may specify.";

20 (iii) for the portion beginning with "36AAB. Where a Multi-State Co-operative bank" and ending with "(c) shall not be liable to be called in question in any manner.", the following shall be substituted, namely:—

"(10) The provisions of section 36ACA shall not apply to a co-operative bank.";

(I) for clause (zb), the following clause shall be substituted, namely:—

"(zb) Part IIC shall be omitted;"

25 (J) sub-clause (i) of clause (zc) and clauses (zd) and (zf) shall be omitted;

(K) for clause (zg), the following clause shall be substituted, namely:—

'(zg) in section 49B, references to "Central Government" shall be construed as references to "Central Registrar" or "Registrar of Co-operative Societies", as the case may be, under the law under which a co-operative bank is registered;"

30 (L) clause (zh) shall be omitted;

(M) for clause (zj), the following clause shall be substituted, namely:—

'(zj) after section 53, the following section shall be inserted, namely:

35 "53A. Notwithstanding anything contained in any other provision of this Act, the Reserve Bank may, from time to time, on being satisfied that it is necessary so to do, declare by notification in the Official Gazette, that the provisions of item (iii) of clause (b) of sub-section (1) and sub-section (2) of section 10, clause (a) of sub-section (2) of section 10A, sub-section (1A) of section 10B and clause (b) of sub-section (1) of section 35B of this Act shall not apply to a co-operative bank or class of co-operative banks, either generally or for such period as may be specified therein, subject to such conditions, limitations or restrictions as it may think fit to impose.";

Power to exempt co-operative banks in certain cases.

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STATEMENT OF OBJECTS AND REASONS

The Banking Regulation Act, 1949 was enacted to consolidate and amend the law relating to banking. Part V of the said Act provides for the application of the Banking Regulation Act, 1949 to co-operative banks, subject to certain modifications specified in section 56 thereof. Keeping in view the developments in the banking sector and regulation thereof overtime, it has become necessary to strengthen the provisions of the said Act as applicable to co-operative banks.

2. It is proposed to bring the co-operative banks on par with the developments in the banking sector through better management and proper regulation of co-operative banks with a view to ensure that the affairs of the co-operative banks are conducted in a manner that protects the interests of the depositors. It is further proposed to strengthen the co-operative banks by increasing professionalism, enabling access to capital, improving governance and ensuring sound banking through the Reserve Bank of India.

3. In view of the above, it is decided to amend the Banking Regulation Act, 1949 by the Banking Regulation (Amendment) Bill, 2020, *inter alia*, to provide for the following:

(i) to amend section 3, so as to make the provisions of the said Act not applicable to—

(a) a primary agricultural credit society; or

(b) a co-operative society whose primary object and principal business is providing of long term finance for agricultural development,

if such society does not use as part of its name, or in connection with its business, the words "bank", "banker" or "banking" and does not act as drawee of cheques;

(ii) to substitute clause (i) of section 56, so as to provide for the issue and regulation of paid-up share capital and securities by co-operative banks;

(iii) to amend clause (zaa) of section 56, so as to provide that in the case of a co-operative bank registered with the Registrar of Co-operative Societies of a State, the Reserve Bank shall consult the concerned State Government before issuing order for supersession of the board of directors under section 36AAA;

(iv) to omit certain clauses of section 56 as the other provisions of the Banking Regulation Act, 1949 would apply to co-operative banks;

(v) to make other consequential changes in section 56.

4. The Bill seeks to achieve the above objectives.

NEW DELHI;
The 10th February, 2020.

NIRMALA SITHARAMAN

ANNEXURE

EXTRACTS FROM THE BANKING REGULATION ACT, 1949

(10 OF 1949)

* * * * *

3. Nothing in this Act shall apply to—

(a) a primary agricultural credit society;

(b) a co-operative land mortgage bank; and

(c) any other co-operative society, except in the manner and to the extent specified in Part V.

Act to apply to co-operative societies in certain cases.

* * * * *

PART V

APPLICATION OF THE ACT TO CO-OPERATIVE BANKS

56. The provisions of this Act, as in force for the time being, shall apply to, or in relation to, co-operative societies as they apply to, or in relation to, banking companies subject to the following modifications, namely:—

Act to apply to co-operative societies subject to modifications.

* * * * *

(d) for section 5A, the following sections shall be substituted, namely:—

"5A. (1) The provisions of this Act shall have effect, notwithstanding anything to the contrary contained in the bye-laws of a co-operative society, or in any agreement executed by it, or in any resolution passed by it in general meeting, or by its Board of directors or other body entrusted with the management of its affairs, whether the same be registered, executed or passed, as the case may be, before or after the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965.

Act to override bye-laws, etc.

(2) Any provision contained in the bye-laws, agreement or resolution aforesaid shall, to the extent to which it is repugnant to the provisions of this Act, become or be void, as the case may be."

(e) in section 6, in sub-section (1),—

(i) in clause (b), the words ", but excluding the business of a managing agent or secretary and treasurer of a company" shall be omitted;

* * * * *

(iii) in clause (m), after the word "company", the words "or co-operative society" shall be inserted;

(f) for section 7, the following section shall be substituted, namely:—

"7. (1) No co-operative society other than a co-operative bank shall use as part of its name or in connection with its business any of the words "bank", "banker" or "banking", and no co-operative society shall carry on the business of banking in India unless it uses as part of its name at least one of such words.

Use of words "bank", "banker" or "banking".

(2) Nothing in this section shall apply to—

(a) a primary credit society, or

23 of 1965.

(b) a co-operative society formed for the protection of the mutual interest of co-operative banks or co-operative land mortgage banks, or

(c) any co-operative society, not being a primary credit society, formed by the employees of—

(i) a banking company or the State Bank of India or a corresponding new bank or a subsidiary bank of such banking company, State Bank of India or a corresponding new bank, or

(ii) a co-operative bank or a primary credit society or a co-operative land mortgage bank,

insofar as the word "bank", "banker" or "banking" appears as part of the name of the employer bank, or as the case may be, of the bank, whose subsidiary the employer bank is.";

(fi) in section 8, for the proviso, the following proviso shall be substituted, namely:—

"Provided that this section shall not apply—

(a) to any such business as aforesaid which was in the course of being transacted on the commencement of clause (iii) of section 42 of the Banking Laws (Amendment) Act, 1983, so, however, that the said business shall be completed before the expiry of one year from such commencement; or

1 of 1984.

(b) to any business as is specified in pursuance of clause (o) of sub-section (1) of section 6;"

(fii) in section 9, for the second proviso, the following provisos shall be substituted, namely:—

“Provided further that in the case of a primary credit society which becomes a primary co-operative bank after the commencement of clause (iii) of section 42 of the Banking Laws (Amendment) Act, 1983, the period of seven years shall commence from the day it so becomes a primary co-operative bank:

1 of 1984.

Provided also that the Reserve Bank may, in any particular case, extend the aforesaid period of seven years by such period as it may consider necessary where it is satisfied that such extension would be in the interests of the depositors of the co-operative bank.”;

(g) sections 10, 10A, 10B, 10BB, 10C and 10D shall be omitted;

* * * * *

(i) sections 12, 12A, 13 and 15 to 17 shall be omitted;

* * * * *

(l) for section 20 of the principal Act, the following section shall be substituted, namely:—

"20. (1) No co-operative bank shall—

(a) make any loans or advances on the security of its own shares; or

(b) grant unsecured loans or advances—

(i) to any of its directors; or

(ii) to firms or private companies in which any of its directors is interested as partner or managing agent or guarantor or to individuals in cases where any of its directors is a guarantor; or

Restriction on loans and advances.

(iii) to any company in which the chairman of the Board of directors of the co-operative bank (where the appointment of a chairman is for a fixed term) is interested as its managing agent, or where there is no managing agent, as its chairman or managing director:

Provided that nothing in clause (b) shall apply to the grant of unsecured loans or advances—

(a) made by a co-operative bank—

(i) against bills for supplies or services made or rendered to Government or bills of exchange arising out of *bona fide* commercial or trade transactions; or

(ii) in respect whereof trust-receipts are furnished to the co-operative bank;

(b) made by a primary co-operative bank to any of its directors or to any other person within such limits and on such terms and conditions as may be approved by the Reserve Bank in this behalf.

(2) Every co-operative bank shall, before the close of the month succeeding that to which the return relates, submit to the Reserve Bank a return in the prescribed form and manner showing all unsecured loans and advances granted by it to companies in cases other than those in which the co-operative bank is prohibited under sub-section (1) to make unsecured loans and advances in which any of its directors is interested as director or managing agent or guarantor.

(3) If, on examination of any return submitted under sub-section (2), it appears to the Reserve Bank that any loans or advances referred to in that sub-section are being granted to the detriment of the interests of the depositors of the co-operative bank, the Reserve Bank may, by order in writing, prohibit the co-operative bank from granting any such further loans or advances or impose such restrictions on the grant thereof as it thinks fit, and may by like order direct the co-operative bank to secure the re-payment of such loans or advances within such time as may be specified in the order.”;

* * * * *

(n) in section 21, in sub-section (2), in clauses (c) and (d), for the words "any one company, firm, association of persons or individuals", the words "any one party" shall be substituted;

* * * * *

(p) in section 23,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Without obtaining the prior permission of the Reserve Bank, no co-operative bank shall open a new place of business or change otherwise than within the same city, town or village, the location of an existing place of business:

Provided that nothing in this sub-section shall apply to—

(a) the opening for a period not exceeding one month of a temporary place of business within a city, town or village or the environs thereof within which the co-operative bank already has a place of business, for the purpose of affording banking facilities to

the public on the occasion of an exhibition, a conference or a mela or any other like occasion;

(b) the opening or changing the location of branches by a Central co-operative bank within the area of its operation.";

(ii) after sub-section (4), the following sub-section shall be inserted, namely:—

"(4A) Any co-operative bank other than a primary co-operative bank requiring the permission of the Reserve Bank under this section shall forward its application to the Reserve Bank through the National Bank which shall give its comments on the merits of the application and send it to the Reserve Bank:

Provided that the co-operative bank shall also send an advance copy of the application directly to the Reserve Bank.";

(q) in section 24,—

* * * * *

(ii) for sub-section (2A), the following sub-section shall be substituted, namely:—

"(2A) A scheduled co-operative bank, in addition to the average daily balance which it is, or may be, required to maintain under section 42 of the Reserve Bank of India Act, 1934 and every other co-operative bank, in addition to the cash reserve which it is required to maintain under section 18, shall maintain in India, assets, the value of which shall not be less than such percentage not exceeding forty per cent. of the total of its demand and time liabilities in India as on last Friday of the second preceding fortnight as the Reserve Bank may, by notification in the Official Gazette, specify from time to time and such assets shall be maintained in such form and manner, as may be specified in such notification.";

2 of 1934.

* * * * *

(iv) in sub-section (6), in clause (a), for the words "fourteen days", the words "thirty days" shall be substituted;"

* * * * *

(r) section 25 shall be omitted;

* * * * *

(ria) in section 26A, for the words "banking companies", the words "co-operative Bank" shall be substituted;

* * * * *

(sa) for section 30, the following section shall be substituted, namely:—

"30. (1) Without prejudice to anything contained in any other law for the time being in force, where the Reserve Bank is satisfied that it is necessary in the public interest or in the interest of the co-operative bank or its depositors so to do, it may at any time by general or special order direct that an additional audit of the co-operative bank accounts, for any such transactions or class of transactions or for such period or periods as may be specified in the order, shall be conducted and may by the same or a different order appoint a person duly qualified under any law for the time being in force to be an auditor of companies to conduct such audit, and the auditor shall comply with such

Audit.

directions and make a report of such audit to the Reserve Bank and forward a copy thereof to the co-operative bank.

(2) The expenses of, or incidental to, the additional audit specified in the order made by the Reserve Bank shall be borne by the co-operative bank.

(3) The auditor referred to in sub-section (1) shall have such powers, exercise such functions vested in and discharge the duties and be subject to the liabilities and penalties imposed on auditors of companies by section 227 of the Companies Act, 1956 and also that of the auditors, if any, appointed by the law establishing, constituting or forming the co-operative bank to the extent the provisions of the Companies Act, 1956 are not inconsistent with the provisions of such law.

1 of 1956.

(4) In addition to the matters referred to in the order under sub-section (1) the auditor shall state in his report—

(a) whether or not the information and explanation required by him have been found to be satisfactory;

(b) whether or not the transactions of the co-operative bank which came to his notice have been within the powers of the co-operative bank;

(c) whether or not the returns received from branch offices of the co-operative bank have been found adequate for the purpose of his audit;

(d) whether the profit and loss accounts, shows a true balance or profit or loss for the period covered by such account;

(e) any other matter which he considers should be brought to the notice of the Reserve Bank and the shareholders of the co-operative bank.”;

(t) in section 31,—

(i) for the words "within three months" and "of three months", the words "within six months" and "of six months" shall, respectively, be substituted;

* * * * *

(u) sections 32 to 34 shall be omitted;

(v) in section 34A, sub-section (3) shall be omitted;

* * * * *

(x) in section 35A, in sub-section (1), in clause (c), for the words "any banking company", the words "the banking of business any co-operative bank" shall be substituted;

(y) section 35B shall be omitted;

(z) in section 36, in sub-section (1),—

(a) clause (b) shall be omitted;

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

"(d) at any time if it is satisfied that for the re-organisation or expansion of co-operative credit on sound lines it is necessary so to do,

by an order in writing and on such terms and conditions as may be specified therein,—

(i) depute one or more of its officers to watch the proceedings at any meeting of the Board of directors of the co-operative bank or of any other body constituted by it and require the co-operative bank to give an opportunity to the officer so deputed to be heard at such matters as the officer may consider necessary or proper for the reorganisation and expansion of co-operative credit on sound lines, and also require such officer to send a report of such proceedings to the Reserve Bank;

(ii) appoint one or more of its officers to observe the manner in which the affairs of the co-operative bank or its offices or branches are being conducted and make a report thereon;"

(za) in section 36A,—

(i) for sub-section (I), the following sub-section shall be substituted, namely:—

"(I) The provisions of section 11, section 18 and section 24 shall not apply to a co-operative bank which has been refused a licence under section 22 of whose licence has been cancelled under that section or which is or has been prohibited or precluded from accepting deposits by virtue of any order made under this Act or of any alteration made in its bye-laws.";

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) Subject to the provisions of sub-sections (I) and (2), a co-operative society carrying on business as a primary co-operative bank at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, or a co-operative society which becomes a primary co-operative bank after such commencement shall, notwithstanding that it does not at any time thereafter satisfy the requirements of the definition of primary co-operative bank in clause (ccv) of section 5, continue to be a primary co-operative bank within the meaning of this Act, and may, with the approval of the Reserve Bank and subject to such terms and conditions as the Reserve Bank may specify in that behalf, continue to carry on the business of banking.";

23 of 1965.

(zaa) after section 36AA of the principal Act, the following sections shall be inserted, namely:—

36AAA. (I) Where the Reserve Bank is satisfied that in the public interest or for preventing the affairs of a multi-State co-operative bank being conducted in a manner detrimental to the interest of the depositors or of the multi-State co-operative bank or for securing the proper management of the multi-State co-operative bank, it is necessary so to do, the Reserve Bank may, for reasons to be recorded in writing, by order, supersede the Board of directors of such multi-State co-operative bank for a period not exceeding five years as may be specified in the order, which may be extended from time to time, so, however, that total period shall not exceed five years.

(2) The Reserve Bank may, on supersession of the Board of directors of the multi-State co-operative bank under sub-section (I) appoint an Administrator for such period as it may determine.

Supersession
of Board of
directors of a
multi-State
co-operative
bank.

(3) The Reserve Bank may issue such directions to the Administrator as it may deem appropriate and the Administrator shall be bound to follow such directions.

(4) Upon making the order of supersession of the Board of directors of a multi-State co-operative bank,—

(a) The chairman, managing director and other directors as from the date of supersession of the Board shall vacate their offices as such;

39 of 2002.

(b) All the powers, functions and duties which may, by or under the provisions of the Multi-State Co-operative Societies Act, 2002 or this Act or any other law for the time being in force, be exercised and discharged by or on behalf of the Board of directors of such a multi-State co-operative bank or by a resolution passed in general meeting of such co-operative bank, shall, until the Board of directors of such co-operative bank is reconstituted, be exercised and discharged by the Administrator appointed by the Reserve Bank under sub-section (2):

Provided that the power exercised by the Administrator shall be valid notwithstanding that such power is exercisable by a resolution passed in the general meeting of such multi-State co-operative bank.

(5) (a) The Reserve Bank may constitute a committee of three or more persons who have experience in law, finance, banking, administration or accountancy to assist the Administrator in discharge of his duties.

(b) The committee shall meet at such times and places and observe such rules of procedure as may be specified by the Reserve Bank.

(6) The salary and allowances to the Administrator and the members of the committee constituted by the Reserve Bank shall be such as may be specified by the Reserve Bank and be payable by the concerned multi-State co-operative bank.

(7) On and before expiration of period of supersession of the Board of directors as specified in the order issued under sub-section (1), the Administrator of the multi-State co-operative bank shall call the general meeting of the society to elect new directors.

(8) Notwithstanding anything contained in any other law or in any contract, or bye-laws of a multi-State co-operative bank, no person shall be entitled to claim any compensation for the loss or termination of his office.

(9) The Administrator appointed under sub-section (2) shall vacate office immediately after the Board of directors of the multi-State co-operative society has been constituted.

47 of 1961.

36AAB. Where a multi-State co-operative bank, being an eligible co-operative bank, has been registered under section 13A of the Deposit Insurance and Credit Guarantee Corporation Act, 1961, as an insured bank, and subsequently—

Order of winding up of multi-State co-operative bank to be final in certain cases.

39 of 2002.

(a) in pursuance of a scheme prepared with the previous approval of the Reserve Bank under section 18 of the Multi-State Co-operative Societies Act, 2002, an order sanctioning a scheme of compromise and arrangement or reorganisation or reconstruction has been made; or

39 of 2002.

(b) on requisition by the Reserve Bank, an order for winding up of the multi-State co-operative bank has been made under section 87 of the Multi-State Co-operative Societies Act, 2002; or

(c) an order for the supersession of the Board and the appointment of an Administrator therefor has been made under section 36AAA,

such order for sanctioning the scheme of compromise and arrangement or reorganisation or reconstruction under clause (a) or the winding up of the

multi-State co-operative bank under clause (b) or an order for the supersession of the Board and the appointment of an Administrator under clause (c) shall not be liable to be called in question in any manner.

Reimbursement to Deposit Insurance Corporation by liquidator or transferee bank.

36AAC. Where a multi-State co-operative bank, being an insured bank within the meaning of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 is wound up and the Deposit Insurance Corporation has become liable to the depositors of the insured bank under sub-section (1) or sub-section (2) of section 16 of that Act, the Deposit Insurance Corporation shall be reimbursed by the liquidator or such other person in the circumstances, to the extent and in the manner provided in section 21 of that Act.

47 of 1961.

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(zb) Part IIA except sections 36AAA, 36AAB and 36AAC, Part IIC, Part III, except sub-sections (1), (2) and (3) of section 45, and Part IIIA except section 45W shall be omitted;

(zc) in section 46,—

(i) in sub-section (4), the word "or" occurring at the end of clause (i) and clause (ii) shall be omitted;

* * * * *

(zd) in section 47, the words, brackets, figures and letters "sub-section (5) of section 36AA or" shall be omitted;

* * * * *

(zf) in section 49A, for the proviso, the following proviso shall be substituted, namely:—

"Provided that nothing contained in this section shall apply to—

(a) a primary credit society;

(b) any other co-operative society accepting such deposits at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965, for a period of one year from the date of such commencement; and

23 of 1965.

(c) any savings bank scheme run by the Government;"

(zg) sections 49B and 49C shall be omitted;

(zh) in section 50, the figures and letters "10, 12A, 16," "35B," and "43A" shall be omitted;

* * * * *

(zj) in section 52,—

(i) in sub-section (2), the words, figures and letter "and the form in which the official liquidator may file lists of debtors to the court having jurisdiction under Part III or Part IIIA and the particulars which such lists may contain" shall be omitted;

(ii) sub-section (4) shall be omitted;

(zk) for section 55 and the First Schedule, the following section shall be substituted, namely:—

"55. (1) The Bankers' Books Evidence Act, 1891 shall apply in relation to a co-operative bank as it applies in relation to a bank as defined in section 2 of that Act.

18 of 1891.

Act 18 of 1891 and Act 46 of 1949 to apply in relation to co-operative banks.

(2) The Banking Companies (Legal Practitioners, Clients' Accounts) Act, 1949, shall apply in relation to a co-operative bank as it applies in relation to a banking company as defined in section 2 of that Act."

46 of 1949.

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LOK SABHA

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BILL

further to amend the Banking Regulation Act, 1949.

(Smt. Nirmala Sitharaman, Minister of Finance)