

THE INDUSTRIAL DEVELOPMENT BANK OF INDIA
(AMENDMENT) ACT, 1986

No. 35 OF 1986

[14th August, 1986.]

An Act further to amend the Industrial Development Bank of
India Act, 1964.

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

1. This Act may be called the Industrial Development Bank of India
(Amendment) Act, 1986.

Short
title.

18 of 1964,

2. In section 2 of the Industrial Development Bank of India Act, 1964
(hereinafter referred to as the principal Act),—

Amend-
ment of
section 2.

(a) in clause (c),—

(i) for sub-clause (iii), the following sub-clause shall be sub-
stituted, namely:—

“(iii) mining including development of mines;”;

(ii) in sub-clause (v), for the words “by air”, the words “by
air or by ropeway or by lift” shall be substituted;

(iii) for sub-clause (vi), the following sub-clause shall be
substituted, namely:—

“(vi) the generation, storage or distribution of electri-
city or any other form of energy;”;

(iv) in sub-clause (vii), for the word “machinery”, the
words “machinery or equipment” shall be substituted;

(v) for sub-clause (ix), the following sub-clause shall be
substituted, namely:—

“(ix) the setting up of, or development of, an industrial
area or an industrial estate;”;

(vi) for sub-clause (xii) and the *Explanation* below that
sub-clause, the following sub-clauses and *Explanation* shall be
substituted, namely:—

“(xii) providing engineering, technical, financial, man-
agement, marketing or other services or facilities for indus-
try;

(xiii) service industry such as altering, ornamenting, polishing, finishing, oiling, washing, cleaning or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal;

(xiv) providing medical, health or other allied services;

(xv) providing services relating to information technology, telecommunication or electronics;

(xvi) leasing, sub-leasing or giving on hire or hire-purchase of industrial plants, equipments, machinery or other assets including vehicles, ships and aircraft;

(xvii) such other activity as the Central Government may, having regard to the objects of this Act, by notification in the Official Gazette, specify in this behalf; or

(xviii) the research and development of any concept, technology, design, process or product whether in relation to any of the matters aforesaid, including any activities specified under sub-clause (xvii), or any other matter.

Explanation.—The expression “processing of goods” includes any art or process for producing, preparing or making an article by subjecting any material to a manual, mechanical, chemical, electrical or any other like operation;

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

“(da) “nationalised bank” means a corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or a corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980;

5 of 1970.

40 of 1980.

Amend-
ment
of sec-
tion 3.

3. In section 3 of the principal Act, in sub-section (4), the word “other” shall be omitted.

Amend-
ment
of sec-
tion 4.

4. In section 4 of the principal Act,—

(a) for the words “one hundred crores of rupees”, the words “one thousand crores of rupees” shall be substituted;

(b) in the proviso, for the words “five hundred crores of rupees”, the words “two thousand crores of rupees” shall be substituted.

Amend-
ment of
sec-
tion 6.

5. In section 6 of the principal Act, after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) Subject to the provisions of sub-section (4), every director nominated under sub-clause (iii) or sub-clause (v) of clause (c) of sub-section (1) shall hold office for such term not exceeding three years, as the Central Government may specify in this behalf.”

6. In section 6A of the principal Act, for clause (iii), the following clause shall be substituted, namely:—

Amend-
ment of
section
6A.

62 of 1984

“(iii) the Industrial Reconstruction Bank of India, established under section 3 of the Industrial Reconstruction Bank of India Act, 1984;”.

7. In section 9 of the principal Act, in sub-section (I),—

Amend-
ment of
section
9.

(a) after clause (d), the following clause shall be inserted namely:—

“(ca) granting lines of credit or loans and advances to the Industrial Finance Corporation, any State Financial Corporation or any other financial institution which may be notified by the Central Government in this behalf, for the purpose of any business of such Corporation or institution;”;

(b) after clause (db), the following clause shall be inserted, namely:—

“(dc) granting loans and advances to any person for purposes of investment in any industrial concern;”;

(c) after clause (g), the following clauses shall be inserted, namely:—

“(ga) granting, opening, issuing, confirming or endorsing letters of credit and negotiating or collecting bills and other documents drawn thereunder;

(gb) providing consultancy and merchant banking services in or outside India;

(gc) acting as the trustee for the holders of debentures or other securities;

(gd) acquiring, with the approval of the Central Government, the undertaking, including the business, assets and liabilities of any institution the principal object of which is the promotion or development of industry in India, or the grant of financial assistance for such promotion or development;”;

(d) in clause (i), after the word “technical”, the words, “legal marketing” shall be inserted;

(e) for clause (k), the following clause shall be substituted, namely:—

“(k) promoting, forming or conducting or associating in the promotion, formation or conduct of companies, subsidiaries, societies, trusts or such other associations of persons as it may deem fit;”.

8. After section 11A of the principal Act, the following section shall be inserted, namely:—

Insertion
of new
section
11B.
Power
to ac-
quire
rights.

1 of 1956.

“11B. The Development Bank shall have the right to acquire, by transfer or assignment, the rights and interests of any public financial institution as defined in section 4A of the Companies Act, 1956 (including any other rights incidental thereto) in relation to any

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loan or advances granted, or any amount recoverable by such institution, either in whole or in part, by the execution or issue of any instrument or by the transfer of any instrument or in any other manner.”.

Amendment of section 18.

9. In section 18 of the principal Act, in sub-section (2), after the words, figures and letters “the 30th day of June each year”, the words “or such other date, as the Central Government may, by notification in the Official Gazette, appoint” shall be inserted.

Amendment of section 21.

10. In section 21 of the principal Act, in sub-section (2), after the words, figures and letters “the 30th day of June each year”, the words “or such other date, as the Central Government may, by notification in the Official Gazette, appoint” shall be inserted.

Substitution of section 34.

11. For section 34 of the principal Act, the following section shall be substituted, namely:—

Act 10 of 1949 not to apply to Development Bank.

“34. Nothing contained in the Banking Regulation Act, 1949 except section 34A and section 36AD thereof, shall apply to the Development Bank.”.