CHAPTER 2

COMMERCIAL BANKING IN INDIA

In the tertiary sector of Indian economy, banking industry occupies an important place. In terms of employment that it provides, there is no parallel to it in service industries. Today, banks are not just financial institutions but more than that they are serving as catalysts in the development process of the country. They have become social institutions taking care of social problems through various kinds of schemes. With the nationalisation of the major 14 banks of the country in 1969 and an additional six banks in 1980, the role of commercial banks became more critical.

2.1 ORIGIN OF BANKING

The word "bank" is said to be derived from the Italian word 'banco', a bench. The early bankers, the Jews in Lombardy, transacted their business at benches in the market place. When a banker failed his 'banco' was broken up by the people, whence our word 'bankrupt'. The earliest reference to banking appear to be the accounts of lending and borrowing of money 3000 years ago in the temples of Greece and Rome. The priests were the custodians operating deposits, advances and interests. Their growing dishonesty and embezzlements led to the decline of faith on the part of the investors and the system died a natural death.

The origin of banking in India is very old. On the basis of the information recorded in ancient texts, it can be said that
indigenous banking was in existence in India from very early times. The practice of money lending, one of the principal functions of a modern banker existed in the Vedic period. There is repeated mention of 'Rna' or debt is the Vedic literature. There is a reference in Ramayan that among the people of Ayodhya who accompanied Bharata to the jungle to request Rama to return to Ayodhya was also a 'Vriddhipajivi' i.e. a member of the money lending or banking community. According to B.K.Bhargava, the banker in the Smriti period performed most of the functions which modern banks perform. He accepted deposits; granted loans against pledges and personal security; granted simple open loans; acted as his customer's bailee; subscribed to public loans by granting loans to kings; acted as the treasurer and banker to the state and issued and managed currency of the country. The first joint stock bank established in the country was the Bank of Hindustan founded in 1870 by the famous English agency house of Messrs Alexander and Company.

2.2 DEVELOPMENT OF BANKING IN INDIA

The oldest establishment among the existing scheduled banks is the Allahabad bank which was established in 1865 with European management. The first bank with Indian management is the Oudh Commercial bank in 1881, followed by Ajodhya Bank in 1894, Punjab National Bank in 1899, and Nedungadi Bank in 1899. There were only five establishments during the nineteenth century, and 12 between 1901 and 1914. Around the turn of the century a great spurt was witnessed in banking activity in the country. With the spread of
Swadeshi Movement in the country in 1906, the number of banks with capital and reserves of over rupees five lakhs doubled from nine to 18 in seven years from 1906 to 1913. Among the banks established during this period were the now famous Bank of India, Central Bank of India, Bank of Baroda, Bank of Mysore etc.6

Veredachary7 traces the progress of Indian banking system as follows: 'The principle of limited liability applied in 1860 gave an impetus to the development of banking in India. The Swadeshi Movement which began in 1906, encouraged the formation of a number of commercial banks, but several of them failed, as they were riddled with defects like combination of trading with banking, dishonest management, speculative investments and poor liquid resources'.

'A major development in commercial banking was the establishment of the Imperial Bank of India, originally intended to be gradually developed into a full-fledged central bank. In 1926, however, the Hilton Young Commission recommended the creation of a separate Central Bank to be called the Reserve Bank of India, leaving the Imperial Bank entirely free to perform commercial banking functions. After the establishment of the Reserve Bank in 1935, the Imperial Bank ceased to function as a banker to the Government. However, at places where the Reserve Bank had no office, it acted as the Reserve Bank's agent to transact Government banking business and maintain currency chests and small coin depots'.

'The Imperial Bank was taken over on July 1, 1955 and converted into the State Bank of India. Towards the end of the fifties, the State Bank took over former State-associated banks as its
subsidiaries. This integrated structure consisting of the State Bank and its subsidiaries, now redesignated as Associate Banks, occupies a unique position in the Indian banking system'.

'Yet another experiment in commercial banking was the setting up of Regional Rural Banks in October 1975 with a view to meeting the credit needs of rural areas, particularly those of the small and marginal farmers, landless labourers and small artisans in an adequate measure'.

The Sastry Award (1953) gives an account of the position of early fifties:8 "The number of offices per million population is 230 in United Kingdom, 127 in USA and only 14 in India. There is also an unequal distribution over geographical areas. More than three-fourths of the number of banking offices are concentrated in the States of Bombay, Madras, Punjab, Uttar Pradesh, West Bengal and Travancore-Cochin. In 1951, there were altogether 4178 banking offices out of which 2,660 belonged to the scheduled banks and 1518 to non-scheduled banks". The great disparity and uneven strength of banks at this time is revealed by the fact that two-thirds of the total number of banks held barely 5 percent of the total capital and reserves and three percent of the total deposits of all the Indian Banks put together.9 After the nationalisation of the major 14 banks of the country in 1969, more bank offices were opened to cover the largest population under banking. The branch expansion programme of a commercial bank in India is governed by the policies of the Reserve Bank announced from time to time.

In 1972, the Banking Commission recommended: Unless there are some exceptional circumstances, it is not necessary for the present to establish new commercial banks either as independent
units or subsidiaries of existing banks, except the rural subsidiary banks. 10

Table 2-1 presents the commercial banking statistics of the country at a glance. Table 2-2 shows the number of offices of scheduled commercial banks in India and the share of southern region and Kerala. Table 2-3 gives a picture of the number of commercial bank branches in India and Kerala and its area-wise distribution on 31-12-1986.

TABLE 2-1

INDIAN COMMERCIAL BANKING STATISTICS AT A GLANCE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Banks</td>
<td>566</td>
<td>423</td>
<td>292</td>
<td>100</td>
<td>85</td>
<td>136</td>
<td>267</td>
<td>27</td>
</tr>
<tr>
<td>Number of Bank offices</td>
<td>4151</td>
<td>4067</td>
<td>5012</td>
<td>6593</td>
<td>9005</td>
<td>31556</td>
<td>52015</td>
<td>5326</td>
</tr>
<tr>
<td>Population per office ('000)</td>
<td>87</td>
<td>98</td>
<td>88</td>
<td>76</td>
<td>60</td>
<td>21</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td>Number of bank employees in Scheduled Commercial Banks ('000)</td>
<td>NA</td>
<td>79</td>
<td>115</td>
<td>170</td>
<td>220</td>
<td>573</td>
<td>893</td>
<td>92</td>
</tr>
</tbody>
</table>

Sources: (a) For data up to 1969: Report of the Banking Commission p.42
(b) For the data for 1979: Suneja's Banking Year Book and Who's Who 1983-84.
(c) For the data for 1985 and 1986: Statistical Supplement to IBA Bulletin Vol. IX No.11 p.306

Note: 1. Number of banks in 1979, 1985 and 1986 includes Regional Rural Banks. They were first established in October 1975.

2. NA = Data not available.
### TABLE 2-2

**REGIONAL DISTRIBUTION OF OFFICES OF SCHEDULED COMMERCIAL BANKS**

<table>
<thead>
<tr>
<th></th>
<th>1969</th>
<th>1980</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>All India</td>
<td>8826</td>
<td>34131</td>
<td>53364</td>
</tr>
<tr>
<td>Southern Region</td>
<td>3101</td>
<td>10740</td>
<td>14805</td>
</tr>
<tr>
<td>Share (in percentage)</td>
<td>35.13</td>
<td>31.47</td>
<td>27.74</td>
</tr>
<tr>
<td>Kerala</td>
<td>512</td>
<td>2303</td>
<td>2729</td>
</tr>
<tr>
<td>Share (in percentage)</td>
<td>5.80</td>
<td>6.73</td>
<td>5.11</td>
</tr>
</tbody>
</table>


### TABLE 2-3

**AREAWISE DISTRIBUTION OF COMMERCIAL BANK BRANCHES AS ON 31-12-1986.**

<table>
<thead>
<tr>
<th></th>
<th>Total in India</th>
<th>Total in Kerala</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>29718</td>
<td>625</td>
</tr>
<tr>
<td>Semiurban</td>
<td>10567</td>
<td>1667</td>
</tr>
<tr>
<td>Urban</td>
<td>7195</td>
<td>281</td>
</tr>
<tr>
<td>Metropolitan/Port Town</td>
<td>5785</td>
<td>152</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>53265</strong></td>
<td><strong>2725</strong></td>
</tr>
</tbody>
</table>


The annual list of 500 major banks in the world published by The Banker, London contained the names of eight Indian banks in 1987. State Bank of India, the largest of the Indian banks was ranked 91st in the list followed by Industrial Development Bank of India as the 336th. However, in 1988 the list contained only seven Indian banks, and the ranks also came down to 94 for State Bank of India, and 338 for Industrial Development Bank of India. The Guinness
B.20

Book of Records 1984 listed State Bank of India as the bank with most branches - 9316 branches on 1st January 1983.

The organised sector of the Indian banking system consists of a number of institutions, the notable among them being the Reserve Bank, the commercial banks, the co-operative banks and the regional rural banks. State Bank of India and its associate banks, other nationalised banks, private sector banks, regional rural banks and foreign banks constitute the structure of commercial banks in India. Thus, commercial banks function both in private and public sectors. More than 90 percent of the banking in India is at present in the hands of the Government of India.11

2.3 BANK FAILURES

The history of banking in India, perhaps, presents a most tragic tale. During the period 1913 to 1943 India has suffered the loss of Rs. 960 lakhs of paid up capital and no less than 949 banks failed.12 During the years 1934-45 not less than 715 banking companies were either wound up or liquidated.13 The number of bank failure in India from 1913 to 1961 was 1671.14

The actual causes leading to failures have been many. They include mismanagement due to inexperience, overtrading, low cash reserves, investments in less liquid securities and in some cases no investment at all, unsecured loan to officers and directors, offering of unbusiness like rates of interest in order to attract deposit, general instability of economic conditions and the lack of a strong central bank with a unified control of currency and credit.15 The Government of India and the Reserve Bank resorted to different measures to check bank failures and to provide a
strong base for the commercial banks of the country. Sn. 11(3) of the Banking Companies Act 1949 provided that a banking company having places of business in more than one State should have paid up capital and reserves of not less than Rupees five lakhs and those having places of business in one State, Rupees one lakh in respect of the principal place of business plus Rs. 10,000/- for each of its other places of business in the same district plus Rs. 25,000/- for each place of business outside the District.16 Although Sn. 277 I of the Indian Companies Act 1913 prescribed Rs. 50,000/- as the minimum paid up capital for every banking company incorporated on or after the 15th January 1937, this provision did not improve matters appreciably, as it did not affect the large number of banking companies incorporated prior to that date.17

During 1960-69 about 118 banks were subjected to amalgamation in the whole of India under the advice, inspiration, guidance and control of the Reserve Bank.18

2.4 REGULATION OF BANKING

Banks serve as the repositories of the cash resources of the public and as purveyors of finance to commerce and industry. A bank, unlike a manufacturing concern obtains a very large proportion of its working capital from the depositors and only a small proportion from the shareholders. For these reasons banking has to be regarded as a public service and its activity must be regulated in public interest.19 The need for some special banking law in certain respects was felt for long and was pointedly brought out first by the Travancore Banking Enquiry Committee of 1930. However, this did not materialise till 1938 when a special banking regulation
In pursuance of the recommendation of the above-mentioned committee, the Government of the erstwhile Travancore State enacted in 1938 the Travancore Companies Act imposing certain restrictions on banking companies including one prohibiting them from conducting chitties. The Government of the then Cochin State also simultaneously issued a Royal Proclamation in 1937 imposing similar restrictions on banks except as regards prohibition of chitties.

During the last four decades, following the enactment of the Banking Regulation Act, 1949, the commercial banking system in India has undergone a marked transformation. Under this Act, the Government of India/Reserve Bank can regulate the functioning of commercial banks in the country. These regulations include regarding, the use of the words "bank", "banker" or "banking" as part of the name of a company (Sec. 7(1)); conduct of banking business (Sec. 22); opening of branch offices (Sec. 23); advance policy including interest and other terms (Sec. 24); directing the functioning of banking companies or any banking company in particular (Sec. 35A) etc.

Though commercial banks grew considerably in stability and strength there still existed certain weak points in the system, and credit gaps not filled by these institutions. The scheme of social control over banking was introduced in 1968 with the main objectives of achieving a wider spread of bank credit, preventing its misuse, directing a larger volume of credit to flow to priority sectors and making it a more effective instrument of economic development.
2.5 NATIONALISATION OF BANKS

Although the banking system had taken certain steps for achieving the objectives of social control, the progress made in this regard was not adequate. With a view to ensuring that banks were adequately motivated towards a speedy achievement of the social purposes such as meeting the legitimate requirements of the weaker sections of the society, 14 major Indian scheduled commercial banks were nationalised on July 19, 1969.23 One of the objectives of nationalisation of banks was to reorient their lending policies so that credit flows to certain sectors of economy in accordance with the national planning priorities.24 The second phase of nationalisation took place on 15th April, 1980 when the Government of India acquired six private sector commercial banks whose demand and time liabilities exceeded Rs. 200 crores as on 14th March, 1980. However, nationalisation of banks has a longer history in the country.

In pursuance of the recommendations of the Committee of Direction for All India Credit Survey (1951-52), the Imperial Bank of India was nationalised in 1955, bringing into existence the State Bank of India, which marked the initiation of public sector banking in India. The State associated banks were taken over by the State Bank of India as its subsidiaries in 1959.25

2.6 BANKING IN KERALA

The Nedungadi Bank started by Sri. Appu Nedungadi in 1899, but registered only in 1910 is the first bank in Kerala. The first registered bank in Kerala was the Travancore Permanent Funds. The Travancore National Quilon Bank that went into liquidation in 1938.
was the most leading bank in Kerala with about 80 branches all over India. The earliest form of crude banking that established itself was the institution of Kuries or Chitties. Since the demand from productive activities for money and credit was larger than what could be met from Kuries and Chitties, other forms of banking activities were started. The earliest bank to be established in the Travancore-Cochin area was the Travancore Bank Limited at Thiruvalla by about 1900. This initial effort was subsequently emulated by other enterprising people and when the new Companies Regulation of 1917 (I of 1092 ME) was passed there were six banks in existence. The number of banks in the Travancore State increased from five in 1917-'18 to 274 by 1932-'33, which was the highest number of banks in the State at any time. A good many of these new banks in Travancore were mostly located in the central taluks, especially Thiruvalla. A particularly powerful impetus to banks was given between 1927 and 1930 which period coincided with the peak level of world prosperity. Thus during these years alone, the net addition to banks was about 200. The number of banks in 1929-'30 was 258 which constituted about one-fifth of the number of banks then existing in the whole of the erstwhile British India. Table 2-4 shows the number of banks working in the erstwhile Travancore and Cochin States at the end of each year in the Malayalam era.

It is true that we have not got figures for the Cochin State for the years prior to 1929, but considering that the number of banks in the Cochin State in 1929 was 64, it may be assumed that there was also simultaneously considerable banking activity in the Cochin State. Most of the banks there were largely centred in
TABLE 2-4
NUMBER OF BANKS WORKING AT THE END OF EACH YEAR

<table>
<thead>
<tr>
<th>Year</th>
<th>Travancore State</th>
<th>Cochin State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1092 ME (1916-17)</td>
<td>6</td>
<td>NA</td>
</tr>
<tr>
<td>1096 ME (1920-21)</td>
<td>43</td>
<td>NA</td>
</tr>
<tr>
<td>1104 ME (1928-29)</td>
<td>195</td>
<td>64</td>
</tr>
<tr>
<td>1105 ME (1929-30)</td>
<td>258</td>
<td>NA</td>
</tr>
<tr>
<td>1108 ME (1932-33)</td>
<td>274</td>
<td>NA</td>
</tr>
<tr>
<td>1112 ME (1936-37)</td>
<td>241</td>
<td>155</td>
</tr>
<tr>
<td>1130 ME (1954-55)</td>
<td>85</td>
<td>68</td>
</tr>
</tbody>
</table>

Source: Travancore-Cochin Banking Inquiry Commission-Report, Par. 65

Trichur, a commercial town with extensive rural areas lying all round which had also their own banks. Table 2-5 presents the district wise distribution of banking offices in Travancore-Cochin State in 1955.

TABLE 2-5
DISTRIBUTION OF BANKING OFFICES DISTRICT-WISE IN 1955

<table>
<thead>
<tr>
<th>District</th>
<th>Number of banking offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quilon</td>
<td>152</td>
</tr>
<tr>
<td>Kottayam</td>
<td>111</td>
</tr>
<tr>
<td>Trichur</td>
<td>252</td>
</tr>
<tr>
<td>Trivandrum</td>
<td>56</td>
</tr>
</tbody>
</table>

Total 571

The total number of banks in the State as on 31st December, 1955 was 153. Although the erstwhile States of Travancore and Cochin merged with the Indian Union in 1947, the banks confining their activities to the new State were brought within the ambit of the Banking Companies Act, 1949 only in 1951, when the Part B States Laws Act, 1951 was passed. The total paid up capital of commercial banks in 1928-29 was around Rs. 42.5 lakhs averaging Rs. 0.22 lakh per bank which was about one-eighth of the average paid-up capital of a commercial bank in British India in the corresponding period. While the highest paid-up capital of a bank next to the Travancore State-aided Bank was Rs. 3.29 lakhs the lowest stood at Rs. 700 only. Out of the total number of banks, five had a paid-up capital above Rupees one lakh. The Bank Award Commission pointed out that the Travancore-Cochin State was definitely "over-banked" and that the position of most of the banks was "illiquid". The Commission also suggested weeding out of the unsound banks to strengthen the banking system in the State. It observed: "It is our firm belief that the banking system in the State can be considerably strengthened through weeding out of the extremely unsound banks and through rectifying the defects in the banks which are not so unsound....To facilitate the weeding out process, the remedy of amalgamation viz. the complete fusion of two or more banks to form a new institution suggests itself....Under these conditions we suggest that the banks should explore the possibilities of amalgamation wherever feasible in all earnestness".

There were 482 bank failures in India during the period 1939-45. Out of these 185 were in Travancore-Cochin area - 132 in Travancore and 53 in Cochin. Similarly, the total number of
non-award banks in Travancore-Cochin area stood at 143 at the time of the Bank Award Commission (1955) but came down to about 90 by the end of 1958, which shows that many of the small and uneconomic units have been eliminated. The Chairman of The Federal Bank Limited observed in his presidential address in 1968: The greatest of the banking crisis after 1960 in the banking industry had happened in and around Central Travancore. Out of the 160 banks in the old Travancore, only three could survive the ordeal.

The number of Kerala-based scheduled commercial banks now comes to eight. Table 2-6 lists these banks in alphabetical order. It also shows the nature of ownership, year of promotion and class of each bank.

### TABLE 2-6
**KERALA-BASED SCHEDULED COMMERCIAL BANKS IN 1988, WITH YEAR OF PROMOTION**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Bank</th>
<th>Ownership</th>
<th>Year of promotion</th>
<th>Class of Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Catholic Syrian Bank Ltd.</td>
<td>Private sector</td>
<td>1920</td>
<td>A</td>
</tr>
<tr>
<td>2.</td>
<td>The Dhanalakshmi Bank Ltd.</td>
<td>&quot;</td>
<td>1927</td>
<td>B</td>
</tr>
<tr>
<td>3.</td>
<td>The Federal Bank Ltd.</td>
<td>&quot;</td>
<td>1931</td>
<td>A</td>
</tr>
<tr>
<td>4.</td>
<td>The Lord Krishna Bank Ltd.</td>
<td>&quot;</td>
<td>1940</td>
<td>B</td>
</tr>
<tr>
<td>5.</td>
<td>The Nedungadi Bank Ltd.</td>
<td>&quot;</td>
<td>1899</td>
<td>B</td>
</tr>
<tr>
<td>6.</td>
<td>The Parur Central Bank Ltd.</td>
<td>&quot;</td>
<td>1930</td>
<td>B</td>
</tr>
<tr>
<td>7.</td>
<td>The South Indian Bank Ltd.</td>
<td>&quot;</td>
<td>1929</td>
<td>A</td>
</tr>
<tr>
<td>8.</td>
<td>State Bank of Travancore</td>
<td>Public sector</td>
<td>1945</td>
<td>A</td>
</tr>
</tbody>
</table>
Kerala had to its credit a most fertile soil for banking development right from the historical times. There were only five banking establishments in the whole country during the nineteenth century. One of these was Nedungadi Bank established in 1899, at Calicut.

The Travancore-Cochin Banking Inquiry Commission observed in 1955: "The average number of people per banking office at present works out to 15,891 which is incidentally the smallest figure as compared to any other State in India, while for India as a whole the corresponding figure is 87,765. The Travancore-Cochin State thus stands foremost in regard to the number of banking offices with PEPSU as the second, having one banking office for an average of 45,970 persons. This will be more pronounced if it is seen in juxtaposition to the similar figures in respect of the foreign countries as for example in the UK, the average number of people per banking office works out to 4,600, in the US 7,600 and in Japan 15,900 which almost approximates to the figure in respect of the Travancore-Cochin State."

The business conducted by the banks in Travancore State was not limited only to the twin functions of acceptance of deposits and dispensing credit; the business of Kuries or Chitties formed a substantial portion of their total business which would be evident from the fact that as many as 166 banks were conducting Kuries during the thirties.

Another noteworthy feature of banking development in the Travancore-Cochin State is that banks were not concentrated only
in cities and larger towns, but were generally spread out into the rural interior of the State. As observed by the Travancore-Cochin Banking Inquiry Commission (1955): "Whereas in Bombay State only 73 out of a total of 577 offices or 13 percent, are in places with a population of less than 10,000 and in the Madras State 135 out of a total of 780 bank offices or about 18 percent; no less than 197 bank offices or 35 percent (out of 571) are located in places with a population less than 10,000 in the Travancore-Cochin State".

The Commission identified the reason for the large number of banks in the State as follows: 'People in this State, more than elsewhere in India, are split up into numerous castes, creeds and communities, and in spite of the great advance in education in the State, this difference has continued to remain. There are numerous banking institutions with different shades of religion and castes catering to their respective communities'.

Certain developments in Kerala banking have been instrumental in bringing about some measures of vital importance and lasting influence on the banking system of the country. For example, as observed by the Banking Commission (1972):

(a) The failure of the Laxmi Bank and the Palai Central Bank highlighted the risks of loss of the savings of depositors of banks. This ultimately resulted in the enactment of the Deposit Insurance Corporation Act, 1961, which led to the establishment of the Deposit Insurance Corporation in January 1962.

(b) The failure of the Travancore National and Quilon Bank Ltd., in 1938 also drew attention to the urgent need for comprehensive banking reform and legislation. In November 1939, the proposals for a comprehensive Banking Act were submitted to the
Government by the Reserve Bank.

(c) The process of weeding out substandard non-viable banks which started with the recommendations of the Travancore-Cochin Banking Inquiry Commission was accelerated after the failure of two Scheduled Banks in 1960 (Laxmi Bank and Palai Central Bank). A number of small local banks which had developed at small towns, were absorbed into larger banks with the result that as the number of smaller banks declined, the number of branches of bigger banks increased.

REFERENCES


8. Award of the All India Industrial Tribunal (Bank Disputes) Bombay on the Industrial Disputes Between Certain Banking Companies and Their Workmen (1953) (Sastry Award). par.269.


13. Sastry Award op cit par. 220.
14. Chacko op. cit p.239.
15. Jain op. cit p.92.
17. Ibid par. 197.
18. Jain op. cit p. 120.
19. Sastry Award op cit par. 220.
20. TCBIC op cit par. 72.
21. Ibid par. 75.
23. Ibid 2-70.
27. TCBIC op. cit. par. 65.
29. TCBIC op. cit. par. 70.
30. Ibid par. 73.
31. Ibid par. 68.
32. Award of the National Industrial Tribunal (Bank Disputes), 1962 (Desai Award), par. 4-13.
33. TCBIC op. cit. pars. 267-9.
36. Chacko op. cit. pp. 120-1.
39. TCBIC op. cit. par. 80.
40. Ibid par. 69.
41. Ibid par. 83.
42. Ibid par. 86.
43. Ibid par. 89.
44. Banking Commission op. cit. par. 2-38.
45. Ibid 2-41.
46. Ibid 2-53.