THE STATE BANK OF INDIA ACT, 1955

along with

THE STATE BANK OF INDIA GENERAL REGULATIONS, 1955

THE STATE BANK (COMPENSATION ON IMPERIAL BANK SHARES) RULES, 1955

THE STATE BANK OF INDIA (APPOINTMENT OF EMPLOYEE DIRECTORS) RULES, 1974

THE STATE BANK OF INDIA ADMINISTRATOR (SALARY AND ALLOWANCES) RULES, 2013

THE STATE BANK OF INDIA COMMITTEE (PROCEDURE) RULES, 2013

STATE BANK OF INDIA
LAW DEPARTMENT
CORPORATE CENTRE
MUMBAI

[Updated as on 27th July 2017]

© SBI, Law Department, Corporate Centre, Mumbai. manager.law@sbi.co.in

THE STATE BANK OF INDIA ACT, 1955 11

THE STATE BANK OF INDIA GENERAL REGULATIONS, 1955 55

THE STATE BANK (COMPENSATION ON IMPERIAL BANK SHARES) RULES, 1955..... 93

THE STATE BANK OF INDIA (APPOINTMENT OF EMPLOYEE DIRECTORS) RULES, 1974 107

THE STATE BANK OF INDIA ADMINISTRATOR (SALARY AND ALLOWANCES) RULES, 2013..... 115

THE STATE BANK OF INDIA COMMITTEE (PROCEDURE) RULES, 2013……..……121

C O N T E N T S

THE STATE BANK OF INDIA ACT, 1955 13

CHAPTER I ..... 13 PRELIMINARY..... 13 1. Short title and commencement ..... 13 2. Definitions 13

CHAPTER II ..... 14 INCORPORATION AND SHARE CAPITAL OF STATE BANK ..... 14 3. Establishment of the State Bank ..... 14 4. Authorised capital ..... 14 5. Issued capital 15

CHAPTER III ..... 16 TRANSFER OF UNDERTAKING OF THE IMPERIALBANK TO STATE BANK .... 16 6. Transfer of assets and liabilities of the Imperial Bank to the State Bank ..... 16 7. Transfer of service of existing officers and employees of the Imperial Bank to the State Bank ..... 16 8. Existing provident and other funds of the Imperial Bank ..... 17 9. Compensation to be given to the share-holders of Imperial Bank 18

CHAPTER IV ..... 18 SHARES..... 18 10. Transferability of shares ..... 18 10A. Right of registered shareholders to nominate ..... 18 11. Restrictions on voting rights ..... 19 12. Shares to be approved securities ..... 19 13. Register of shareholders ..... 19 13A. Register of beneficial owners ..... 20 14. [*****] Omitted ..... 20 15. Trust not to be entered on the register of share-holders.- 20

CHAPTER V ..... 20 MANAGEMENT ..... 20 16. Offices, branches and agencies ..... 20 17. Management ..... 21 18. Central Board to be guided by directions of Central Government ..... 21 19. Composition of the Central Board ..... 21 19A. Qualifications for election of directors elected by shareholders ..... 22 19B. Power of Reserve Bank to appoint additional directors ..... 23 20. Term of office of chairman, managing director, etc ..... 23 21. Local Boards ..... 25 21A Term of office of members of Local Board ..... 26 21B. Powers of Local Board ..... 26 21C. Local Committees ..... 27 22. Disqualifications for directorship of Central Board or membership of Local Boards or of Committees..... 27 23. Vacation of office of directors, etc. 29

24. Removal from office of directors, etc. ..... 29 24A. Supersession of Central Board in certain cases ..... 30 25. Casual Vacancies ..... 31 26. Remuneration of directors ..... 31 27. Powers and remuneration of chairman ..... 32 28. [*****]] Omitted ..... 32 29. Powers and remuneration of managing director ..... 32 30. Executive and other committees of the Central Board ..... 33 31. Meetings of the Central Board ..... 33 31A. Meetings of Local Boards 34

CHAPTER VI ..... 35 BUSINESS OF THE STATE BANK ..... 35 32. State Bank to act as agent of the Reserve Bank ..... 35 33. Other Business which the State Bank may transact ..... 35 34. Business which the State Bank may not transact ..... 35 35. State Bank may acquire the business of other banks ..... 36 35A. Arrangement with the State Bank on appointment of directors to prevail 38

CHAPTER VII ..... 38 FUNDS, ACCOUNTS AND AUDIT ..... 38 36. Integration and Development Fund. ..... 38 37. Reserve Fund ..... 39 38. Disposal of profits ..... 39 38A. Transfer of unpaid or unclaimed dividend ..... 39 39. Books to be balanced each year ..... 40 40. Returns ..... 40 41. Audit ..... 41 42. Balance sheet etc., of State Bank may be discussed at general meeting.- 43

CHAPTER VIII ..... 43 MISCELLANEOUS..... 43 43. State Bank may appoint officer and other employees ..... 43 43A Bonus ..... 44 44. Obligation as to fidelity and secrecy ..... 44 45. Bar to liquidation of State Bank ..... 44 46. Indemnity of directors and members of Local Boards and Local Committees, etc.

44

47. Defects in appointment or constitu tion not to invalidate acts or proceedings ..... 45 48. Power to remove difficulties.- ******] Omitted ..... 45 49. Power of Central Government to make rules ..... 45 50. Power of Central Board to make regulations ..... 46 51. Requirements of foreign law to be complied with in certain cases ..... 48 52. Amendment of Act 2 of 1934.- [*****] Omitted ..... 48 53. Amendment of Act 10 of 1949.- [*****] Omitted ..... 48 54. Amendment of Act 47 of 1920.- [*****] Omitted ..... 48 55. No proceeding to lie in India against Imperial Bank after appointed day ..... 48 56. References to the Imperial Bank, the Bank of Bengal, etc. in other laws ..... 49 57. Dissolution of Imperial Bank, etc.- 49

THE FIRST SCHEDULE ..... 49 COMPENSATION FOR THE TRANSFER OF SHARES OF THE IMPERIAL BANK TO THE RESERVE BANK 49

THE SECOND SCHEDULE ..... 50 DECLARATION OF FIDELITY AND SECRECY 50

THE THIRD SCHEDULE ..... 51 Repealed 51

THE FOURTH SCHEDULE ..... 51 Repealed ..... 51 Repealed 51

LIST OF AMENDING ENACTMENTS ..... 51 LIST OF ABBREVIATIONS USED 52

THE STATE BANK OF INDIA GENERAL REGULATIONS, 1955 55

THE STATE BANK OF INDIA GENERAL REGULATIONS, 1955 **..... 57**

CHAPTER I **..... 57** INTRODUCTORY I **..... 57** 1.Short title and commencement **..... 57** 2.Definitions **..... 57**

CHAPTER II **..... 57** SHARES AND SHARE REGISTER **..... 57** 3.Shares moveable property **..... 57** 3A. Share Capital **..... 58** 3B. Procedure for increasing issued capital by the issue of equity or preference shares **..... 58** 3C. Manner of accepting money for issued capital, forfeiture and reissue of shares **..... 58** 4.Control over shares and branch registers **..... 61** 5.Parties who may not be registered as shareholders **..... 61** 6.Particulars to be entered in the share registers **..... 61** 7. Exercise of rights of joint holders **..... 62** 8. *[Repealed].* **..... 62** 9.Inspection of registers **..... 63** 10.Closing of share registers **..... 63** 11.Form of shares Certificates and manner of its preparation **..... 63** 12.Issue of share certificates free of charge **..... 63** 13.Renewal of share certificates **..... 64** 14.Warrant for transfer of State Bank shares **..... 64** 15.Transfer of shares **..... 65** 16.Power to refuse or suspend transfers **..... 65** 16A. Nomination by a Shareholder **..... 66** 16B. Transmission of shares in case of nomination **..... 66** 17. *[Repealed]* **..... 67** 18.*[Repealed]* **..... 67**

19.Transmission of shares in the event of death, insolvency etc, of a shareholder**..... 67** 20.Shareholder ceasing to be qualified for registration**..... 68** 20A. Delegation of powers and functions by Central Board or its Executive Committee **..... 68**

CHAPTER II - A **..... 68** SAFEGUARDS TO BE PROVIDED IN MAINTAINING THE REGISTER OF SHAREHOLDERS IN COMPUTERS **..... 68** 20B. Maintenance of shares-register in computer systems etc. **..... 68** 20C. Safe guards for protection of computer system **..... 69** 20D. Powers of the chairman or managing director to provide for other safe guards **..... 69**

CHAPTER III ..... **69** MEETINGS OF SHAREHOLDERS ..... **69** 21.Notice convening a general meeting ..... **69** 22.Special general meeting ..... **70** 23.Business at general meetings..... **70** 24.Quorum at general meetings ..... **70** 25.Chairman at general meetings ..... **70** 26.Persons entitled to attend general meetings ..... **71** 27.Voting at general meetings ..... **71** 28.Minutes of general meetings ..... **71** 29.*[Repealed]* **71**

CHAPTER IV ..... **72** VOTING RIGHTS OF SHAREHOLDERS ..... **72** 30. *[Repealed]* ..... **72** 31.Determination of voting rights ..... **72** 32.Voting by duly authorised representative..... **72** 33.Voting by duly authorised representative precludes voting by proxy ..... **73** 34.Proxies ..... **73** 35.Appointment of an employee of the State Bank as duly authorised representative of proxy invalid. **74**

CHAPTER V.- ..... **74** ELECTION OF DIRECTORS.- ..... **74** 36. *[Repealed]*..... **74** 37.Directors to be elected at General Meeting ..... **74** 38.List of Share- holders ..... **74** 39.Nomination of candidates for election ..... **75** 40.Publication of list of candidates ..... **75** 41.Assumption of office by the elected candidate ..... **76** 42.Election disputes **76**

CHAPTER VI ..... **76** CENTRAL BOARD AND ITS EXECUTIVE COMMITTEE ..... **76** 43.*[Repealed]* ..... **76** 44.Meetings of the Central Board ..... **76** 44A. Participation of the directors in the meeting of the Central Board through videoconferencing or other electronic means ..... **77** 45.Resolution without meeting of Central Board valid..... **77**

46.Constitution and powers of the Executive Committee ..... **78** 47.Meetings of the Executive Committee **78**

CHAPTER VI A ..... **78** 47A. Jurisdiction of local head offices ..... **78** 47B. Exclusion of jurisdiction of local head office **80**

CHAPTER VII ..... **80** LOCAL BOARDS AND THEIR COMMITTEES..... **80** 48.*[Repealed]* ..... **80** 49.*[Repealed]* ..... **80** 50.*[Repealed]* ..... **80** 51.*[Repealed]* ..... **80** 52.Meetings of Local Boards ..... **80** 53.Adoption of resolution by Local Board by circulation ..... **81** 54. *[Repealed]* ..... **81** 55.Powers with regard to staff ..... **81** 56.Constitution and powers of the Committee of the Local Board ..... **82** 57.Meetings of the Committee of the Local Board **82**

CHAPTER VIII ..... **82** REMUNERATION OF DIRECTORS AND LOCAL BOARD MEMBERS ..... **82** 58.Chapter VIII not to apply to Chairman ..... **82** 59 Fees for Directors, etc. ..... **82** 60.Reimbursement of travelling expenses of Directors and Local Board members **83**

CHAPTER IX ..... **83** LOANS AND ADVANCES ..... **83** 61.Definitions ..... **83** 62.Powers to grant loans and advances by Local Boards ..... **84** 63.*[Repealed]* ..... **85** 64.Directors and members of Local Boards to notify their interests in firms, companies, etc. **85** 65.Employee not to grant loan or advance to himself ..... **85** 66.Employee not to grant loan or advance to relatives ..... **85** 67.Loan or advance to officers and employees ..... **85** 68.*[Repealed]* ..... **85** 69.*[Repealed]* ..... **85** 70.*[Repealed]* ..... **86** 71.*[Repealed]* ..... **86** 72.*[Repealed]* ..... **86** 73.*[Repealed]* ..... **86** 74.*[Repealed]* **86**

CHAPTER X ..... **86** MISCELLANEOUS ..... **86** 75.Manner and form in which contracts binding on the State Bank may be executed ..... **86** 76.Accounts receipts and documents of State Bank by whom to be signed ..... **86** 77.Plaints, etc, by whom to be signed ..... **87** 78.Joint responsibility of Managing Directors in administrative and staff matters **87**

79.Obligations to notify disqualifications of directors and members of Local Boards and Local Committees ..... **87** 80.The Seals of the State Bank..... **87** 81.Service of notices to shareholders ..... **88** 82.Service of notice on State Bank ..... **88** 82A. *[Repealed]* ..... **88** 83.Payment of dividend..... **88** 84.Matters not covered by these regulations **89**

Schedule-I ..... **89** Schedule- II ..... **92** COMMENTS/ NOTES. **92**

THE STATE BANK (COMPENSATION ON IMPERIAL BANK SHARES) RULES, 1955..... 93

THE STATE BANK (COMPENSATION ON IMPERIAL BANK SHARES) RULES, 1955. **95** 1.Short title and date of commencement ..... **95** 2.Definitions-..... **95** 3.When different holdings may be combined ..... **95** 4.Manner in which applications for compensation shall be made. ..... **95** 5.Warrant for transfer of State Bank shares ..... **96** 6.Payment of the balance of compensation after deduction of the price of State Bank shares- ..... **96** 7.Shares registered in the names of deceased holders ..... **96** 8.Claims under instruments of transfer ..... **97** 9.Claims not provided for by Rules 7 and 8 ..... **97** 10.Power to require indemnity ..... **97** 11.Rules also to apply to claimants other than registered shareholders ..... **97** 12.Loss, etc., of share certificate ..... **97** 13.Information regarding payment of compensation **98**

SCHEDULE ..... **98** FORM 'A' ..... **98** FORM 'B' ..... **101** FORM 'C' ..... **103** FORM 'D' **106**

THE STATE BANK OF INDIA (APPOINTMENT OF EMPLOYEE DIRECTORS) RULES, 1974..... **107**

THE STATE BANK OF INDIA (APPOINTMENT OF EMPLOYEE DIRECTORS) RULES, 1974..... **109**

CHAPTER 1 – Introductory ..... **109** 1. Short title and commencement –..... **109** 2. Definitions..... **109**

CHAPTER II – Appointment of Employee Directors **109**

3. Appointment of workmen-employee director ..... **109** 4. Appointment of non-workmen employee director **110**

THE SCHEDULE ..... **110** ANNEXURE I ..... **113** ANNEXURE II **113**

THE STATE BANK OF INDIA ADMINISTRATOR (SALARY AND ALLOWANCES) RULES, 2013 115

THE STATE BANK OF INDIA ADMINISTRATOR (SALARY AND ALLOWANCES) RULES, 2013 ..... **117**

1. Short title and commencement..... **117** 2. Definitions..... **117** 3. Salary and Allowances ..... **117** 4. Residuary provision ..... **118** 5. Oaths of office and secrecy **118**

THE STATE BANK OF INDIA COMMITTEE (PROCEDURE) RULES, 2013 ..... **121**

THE STATE BANK OF INDIA COMMITTEE (PROCEDURE) RULES, 2013 ..... **123**

1. Short title and commencement..... **123** 2. Definitions..... **123** 3. Meetings of the Committee ..... **123** 4. Quorum ..... **124** 5. Residuary provision **124**

THE STATE BANK OF INDIA ACT, 1955 (Act No. 23 OF 1955)

THE STATE BANK OF INDIA ACT, 1955

(Act No. 23 OF 1955)

AN ACT

To constitute a State Bank for India, to transfer to it the undertaking of the Imperial Bank of India and to provide for other matters connected therewith or incidental thereto.

(8th May, 1955).

Whereas for the extensions of banking facilities on a large scale, more particularly in the rural and semi-urban areas, and for divers other public purposes it is expedient to constitute a State Bank for India, and to transfer to it the undertaking of the Imperial Bank of India and to provide for other matters connected therewith or incidental thereto;

Be it enacted by Parliament in the Sixth Year of the Republic of India as follows:- CHAPTER I

PRELIMINARY

1.Short title and commencement.- (1) Act, 1955.

This Act may be called the State Bank of India

(2) It shall come into force on such date1 as the Central Government may, by notification in the Official Gazettee, appoint.

2. Definitions. - In this Act, unless the context otherwise requires,-

(a) "appointed day" means the date on which this Act comes into force :

(b) "Central Board" means the Central Board of Directors of the State Bank;

2[(bb) “chairman” means the chairman of the Central Board;]
(c) “goods” includes bullion, wares and merchandise;
(d) “Imperial Bank” means the Imperial Bank of India constituted under the Imperial Bank of India Act, 1920 (47 of 1920);
3[(dd) “Local Board” means a Local Board constituted under the Section 21;]
(e) “prescribed” means prescribed by regulations made under this Act;
(f) “Reserve Bank” means the Reserve Bank of India constituted under the Reserve Bank

of India	Act,1934 (2 of 1934)

Extended to Dadra and Nagar Haveli by Reg. 6 of 1963, S.2 and Sch. I (w.e.f. 1-7-1965) Pondicherry by Reg.7 of 1963, S.3 and Sch. I (w.e.f 1-10-1963); Goa, Daman, Diu by Reg. 11 of 1963, S.3 and Sch., and to Sikkim vide Notification S. O. No. 548 (E) dt. 15-1-1976 (w.e.f. 14-8-1976)
2 Ins, by Act 35 of 1964, S.2 (w.e.f. 1-12-1964).

3 Ins, by Act 35 of 1964, S.2 (w.e.f. 1-12-1964).

(g) “State Bank” means the State Bank of India constituted under this Act;

1[(h) “subsidiary bank” means a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959);]

2[(i)[……..]

3(j) “workman” has the meaning assigned to it in the Industrial Disputes Act, 1947 (14 of 1947).]

CHAPTER II

INCORPORATION AND SHARE CAPITAL OF STATE BANK

3.Establishment of the State Bank.- (1) A Bank to be called the State Bank of India shall be constituted to carry on the business of banking and other business in accordance with the provisions of this Act and for the purpose of taking over the undertaking of the Imperial Bank.

(2) The [Central Government]4, together with such other persons as may from time to time become shareholders in the State Bank in accordance with the provisions of this Act, shall, so long as they are shareholders in the State Bank, constitute a body corporate with perpetual succession and a common seal under the name of the State Bank of India, and shall sue and be sued in the name.

(3) The State Bank shall have power to acquire and hold property, whether movable or immovable, for the purposes for which it is constituted and to dispose of the same.

4. Authorised capital.-5[Subject to the provisions of this Act, the authorised capital of the State Bank shall be five thousand crores of rupees divided into five hundred crores of fully paid-up shares of ten6 rupees each:
Provided that the Central Board may reduce the nominal or face value of the shares, and divide the authorised capital into such denomination as it may decide with the approval of the Reserve Bank:

1 Ins. by Act 38 of 1959, S.64 and It. I, Pt. VI of Th. Sch. (w.e.f.10-09-1959)
2 Omitted the words “ #“vice-chairman” means the vice chairman of the Central Board” by Act 27 of 2010, sec.2 (w.e.f. 15.09.2010), (#which was earlier ins, by Act 35 of 1964, S.2 (w.e.f. 1-12-1964)).

3 Ins. By Act 48 of 1973, S.2 (w.e.f. 1-7-1974)
4 Subs. By Act 32 of 2007, Sec.2 for the words ‘Reserve Bank’ w.e.f. 29.06.2007
5 Subs. by Act 27 of 2010, S.3, (w.e.f. 15.09.2010). The section before its amendment was “Subject to the provisions of this Act, the authorised capital of the State Bank shall be *twenty crores of rupees divided into **[two crores] of fully paid up share of ***[ten rupees] each: Provided that the Central Government may increase or reduce the authorised capital as it thinks fit so however that the shares in all cases shall be fully paid-up shares of [ten rupees] each” (*Increased to Rs.1000 crores in terms of Notification No. 14(3)89 / Accts. dated the 28th June 1990 of Banking Division, Ministry of Finance, Govt. of India.; ** Subs. by Act 3 of 1994, S. 2. (i) for “twenty Lakhs” (w.e.f. 15.10.1993); *** Subs.

by Act 3 of 1994, S. 2. (ii) for “one hundred rupees” (w.e.f. 15.10.1993))
6 The Central Board of SBI vide notification No. ADVT III/4/Exty/39/14, dated 28.10.2014 published in the Gazette of India, Extraordinary Part III- Section 4, No.319 dated 05.11.2014 reduced the face value of equity shares of the Bank from Rs.10 per share to Rs.1 per share, with effect from 21.11.2014.

Provided further that the Central Government may in consultation with the Reserve Bank, increase or reduce the authorised capital so however that the shares in all cases shall be fully paid-up shares.]

5.Issued capital.-	(1)	The issued capital of the State Bank shall, on the appointed day,

be five crores, sixty two lakhs and fifty thousand rupees divided into five lakhs, sixty two thousand and five hundred shares, all of which shall, on the appointed day, stand allotted to the [Central Government]1 in lieu of the shares of the Imperial Bank 2[transferred to and vested in it under section 6.]

3[(*2*) The issued capital of the State Bank shall consist of equity shares or equity and preference shares:

Provided that the issue of preference shares shall be in accordance with the guidelines framed by the Reserve Bank specifying the class of preference shares, the extent of issue of each class of such preference shares (whether perpetual or irredeemable or redeemable) and the terms and conditions subject to which, each class of preference shares may be issued:

Provided further that the Central Board may from time to time increase, with the previous approval of the Reserve Bank and the Central Government, whether by public issue or rights issue or preferential allotment or private placement, in accordance with the procedure as may be prescribed, the issued capital by the issue of equity or preference shares:

Provided also that the Central Government shall, at all times, hold not less than fifty-one per cent. of the issued capital consisting of equity shares of the State Bank.]

4(3)No increase in the issued capital beyond twelve crores and fifty lakhs of rupees shall be made under sub-section (2) without the previous sanction of the Central Government.

5[(4) Subject to the provisions contained in sub-section (2), the Central Board may increase from time to time, by way of issuing bonus shares to existing equity shareholders, the issued capital in such manner as the Central government may after consultation with the Reserve Bank, direct.

(5) The State Bank may, accept the money in respect of shares issued towards increase in the issued capital in instalments, make calls, forfeit unpaid shares and re-issue them, in such manner as may be prescribed.]

1 Subs. By Act 32 of 2007, Sec.3 for the words 'Reserve Bank' w.e.f. 29.06.2007
2 Subs. by Act 33 of 1955, S. 2 for "transferred to it" by para. 2 of the First Schedule (with retrospective effect).

3 Subs. by Act 27 of 2010, S. 4, (w.e.f. 15.09.2010). The section before its amendment was "The Central Board may from time to time increase the issued capital but no increase in the issued capital shall be made in such a manner that the Reserve bank holds at any time less than fifty five per cent of the issued capital of the State Bank."
4 Increased to Rs.200 crores in terms of Notification No. 14(3)89 / Accts. dated the 28th June 1990 and further to Rs.500 crores in terms of Notification No. F-12/6/93-BOA dated the 20th Sept 1993 of Banking Division, Ministry of Finance, Govt. of India. Issued capital after the G.D.R. issue is increased to Rs 526.30 crores.

5 Ins. by Act 27 of 2010, S. 4, (w.e.f. 15.09.2010).

CHAPTER III

TRANSFER OF UNDERTAKING OF THE IMPERIAL BANK TO STATE BANK

6.Transfer of assets and liabilities of the Imperial Bank to the State Bank. - (1) Subject to the other provisions contained in this Act, on the appointed day:-

(a) all share in the capital of the Imperial Bank shall be transferred to, and shall vest in the Reserve Bank, free of all trusts, liabilities and encumbrances, and

(b) the undertaking of the Imperial Bank shall be transferred to, and shall vest in the State Bank.

(2) The undertaking of the Imperial Bank shall be deemed to include all rights, powers, authorities and privileges, and all property, movable and immovable, including cash balances, reserve funds, investments and all other interests and rights in, or arising out of, such property as may be in the possession of the Bank immediately before the appointed day, and all books, accounts and documents relating thereto, and shall also be deemed to include all debts, liabilities and obligations of whatever kind then existing of that Bank.

1 [(3) Unless otherwise expressly provided by or under this Act, all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the appointed day and to which the Imperial Bank is a party or which are in favour of the Imperial Bank shall be of as full force and effect against or in favour of the State Bank, as the case may be, and may be enforced or acted upon as fully and effectually as if instead of the Imperial Bank the State Bank had been a party thereto or as if they had been issued in favour of the State Bank.]

(4) If on the appointed day any suit, appeal or other legal proceeding of whatever nature is pending by or against the Imperial Bank, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer to the State Bank of the undertaking of the Imperial Bank or of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the State Bank.

7.Transfer of service of existing officers and employees of the Imperial Bank to the State Bank .- (1) Every officer or other employee of the Imperial Bank (excepting the managing director, the deputy managing director and other directors) in the employment of the Imperial Bank immediately before the appointed day shall, on and from the appointed day, become an officer or other employee, as the case may be, of the State Bank, and shall hold his office or service therein by the same tenure, at the same remuneration, and upon the same terms and conditions and with the same rights and privileges as to pension, gratuity and other matters as he would have held the same on the appointed day if the undertaking of the Imperial Bank had not vested in the State Bank, and shall continue to do so unless and until his employment in the State Bank is terminated or until his remuneration, terms or conditions are duly altered by the State Bank.

(2) Any person who, on the appointed day, is entitled to or is in receipt of, a pension or other superannuation or compassionate allowance or benefit from the Imperial bank or any provident, pension or other fund or any authority administering such fund shall be entitled to be paid by, and to receive from, the State Bank or any provident, pension or other fund or any

1Subs. by Act 33 of 1955, S. 3 for the original sub-S. (3) (with retrospective effect).

authority administering such fund the same pension, allowance or benefit so long as he observes the conditions on which the pension, allowance or benefit was granted, and if any question arises whether he has so observed such conditions, the question shall be determined by the Central Government and the decision of the Central Government thereon shall be final.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2), no appointment made or promotion, increment in salary, pension, allowance or any other benefit granted to any person after the 19th day of December, 1954, and before the appointed day which would not ordinarily have been made or granted or which would not ordinarily have been admissible under the rules or authorizations of the Imperial Bank or of any provident, pension or other fund in force prior to the 19th day of December, 1954 shall have effect or be payable or claimable from the State Bank or from any provident, pension or other fund or from any authority administering the fund, unless the Central Government has, by general or special order, confirmed the appointment, promotion or increment or has directed the continued grant of the pension, allowance or other benefit as the case may be.

(4) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947), or in any other law for the time being in force, the transfer of the services of any officer or other employee of the Imperial Bank from that Bank to the State Bank shall not entitle such officer or other employee to any compensation under that Act or other law, and no such claim shall be entertained by any court, tribunal or other authority.

(5) Any person holding office as managing director, deputy managing director, director or member of any Local Board of the Imperial Bank immediately before the appointed day shall be deemed to have vacated his office as such on the appointed day, and notwithstanding anything contained in this Act or in any other law for the time being in force or in any agreement or contract, he shall not be entitled to any compensation from the Imperial Bank or the State Bank for the loss of office or for the premature termination of any agreement or contract relating to his employment, except such pension, compensation or other benefit which the State Bank may grant to him, having regard to what that person would have received as an officer of the Imperial Bank if this Act had not been passed and if he had retired from his employment in the ordinary course.

(6) Where any managing director, deputy managing director, director, officer or other employee of the Imperial Bank has, after the 19th day of December, 1954, and before the appointed day, been paid any sum by way of compensation or gratuity, the State Bank shall be entitled to claim refund of any sum so paid if the payment is not confirmed by the Central Government by general or special order.

8. Existing provident and other funds of the Imperial Bank. - For the persons who immediately before the appointed day are the trustees of the following funds, that is to say,- (a) the Imperial Bank of India Employees Provident Fund ;

(b) the Imperial Bank of India Employees Pension and Guarantee Fund;

(c) the Bank of Bombay Officers Pension and Guarantee Fund ;

(d) the Bank of Madras Pension and Gratuity Fund ;

(e) the Bank of Madras Officers Provident and Mutual Guarantee Fund ;

there shall be substituted as trustees such persons as the Central Government may, by general or special order, specify.

9. Compensation to be given to the share-holders of Imperial Bank.- (1) Every person who immediately before the appointed day is registered as a holder of shares in the Imperial Bank shall be entitled to compensation in accordance with the provisions contained in the First Schedule.

(2) Nothing contained in sub-section (1) shall affect the rights inter se between the holder of any share in the Imperial Bank and any other person who may have an interest in such share, and such other person shall be entitled to enforce his interest against the compensation awarded to the holder of such share, but not against the Reserve Bank.

CHAPTER IV

SHARES

10.Transferability of shares. - (1) Save as otherwise provided in sub-section (2), the shares of the State Bank shall be freely transferable.

(2) Nothing contained in sub-section (1) shall entitle the [Central Government]1 to transfer any shares held by it in the State Bank if such transfer will result in reducing the shares held by it to less than 2[fifty-one per cent. of the issued capital consisting of equity shares,] of the State Bank.

3[**10A.Right of registered shareholders to nominate.** (1) Every	individual	registered

shareholder may, at any time, nominate, in the prescribed manner, an individual to whom all his rights in the shares shall vest in the event of his death.

(2) Where the shares are registered in the name of more than one individual jointly, the joint holders may together nominate in the prescribed manner, an individual to whom all their rights in the shares shall vest in the event of the death of all the joint holders.

(*3*) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination in respect of shares is made in the prescribed manner and which purports to confer on the nominee the right to vest the shares, the nominee shall, on the death of the shareholder or, as the case may be, on the death of all the joint holders, become entitled to all the rights of the shareholder or, as the case may be, of all the joint holders, in relation to such shares and all other persons shall be excluded unless the nomination is varied or cancelled in the prescribed manner.

(*4*) Where the nominee is a minor, it shall be lawful for the individual registered holder of the shares to make nomination to appoint, in the prescribed manner, any person to become entitled to the shares in the event of his death during the minority of the nominee.]

1 Subs. By Act 32 of 2007, Sec.4 for the words 'Reserve Bank' w.e.f. 29.06.2007
2 Subs. by Act 27 of 2010, S. 5 for the words "fifty-five per cent. of the issued capital", (w.e.f. 15.09.2010).

3 Ins. by Act 27 of 2010, S. 6, (w.e.f. 15.09.2010).

1[**11. Restrictions on voting rights. -** No shareholder, other than the [Central Government]2, shall be entitled to exercise voting rights in respect of any shares held by him in excess of ten percent of the issued capital.

Provided that such shareholder shall be entitled to exercise voting rights at such higher percentage as the Central Government may, after consultation with the Reserve Bank, specify.]

3[Provided further that the shareholder holding any preference share capital in the State Bank shall, in respect of such capital, have a right to vote only on resolutions placed before the State Bank which directly affect the rights attached to his preference shares:

Provided also that no preference shareholder, other than the Central Government, shall be entitled to exercise voting rights in respect of preference shares held by him in excess of ten per cent. of total voting rights of all the shareholders holding preference share capital only.]

12. Shares to be approved securities. - Notwithstanding anything contained in the Acts hereinafter mentioned in this section, the shares of the State Bank shall be deemed to be included among the securities enumerated in section 20 of the Indian Trusts Act, 1882 (2 of 1882), and also to be approved securities for the purpose of the Insurance Act, 1938 (4 of 1938) 4[……].

5[**13.Register of shareholders.-** (1) The State Bank shall keep at its Central Office, a register, in one or more books of the shareholders, and shall enter therein the following particulars so far as they may be available :-

(i) the names, addresses and occupations, if any, of the shareholders and a statement of the shares held by each shareholder, distinguishing each share by its denoting number ;

(ii) the date on which each person is so entered as a shareholder ;

(iii)the date on which any person ceases to be a shareholder; and

(iv) such other particulars as may be prescribed.

6[Provided that nothing in this sub-section shall apply to the shares held with a depository]

(2) Notwithstanding anything contained in sub-section (1), it shall be lawful for the State Bank to keep the register of shareholders 7[in computer floppies or diskettes or any other electronic form] subject to such safeguards as may be prescribed.

1 Subs. by Act 3 of 1994, S. 3 (w.e.f. 15.10.1993)
2 Subs. By Act 32 of 2007, Sec.5 for the words 'Reserve Bank' w.e.f. 29.06.2007 3 Ins. by Act 27 of 2010, S. 7, (w.e.f. 15.09.2010).

4Omitted the words " and the Banking Regulation Act, 1949" by Act 4 of 2013, Schedule (w.e.f 18.01.2013).

5 Subs. by Act 3 of 1994, S. 5 (w.e.f. 15.10.1993)
6 Ins. by Act No.8 of 1997, S.3 (w.e.f. 15.01.1997)
7 Subs. by Act 27 of 2010, S. 8, for "in computer floppies or diskettes" (w.e.f. 15.09.2010).

(3) Notwithstanding anything contained in the Indian Evidence Act, 1872 (1 of 1872), a copy of, or extract from, the register of shareholders, certified to be a true copy under the hand of an officer of the State Bank authorised in this behalf shall, in all legal proceedings, be admissible in evidence.]

1[**13A. Register of beneficial owners.-** The register of beneficial owners maintained by a depository under S.11 of the Depositories Act, 1996 (22 of 1996) shall be deemed to be register of shareholders for the purposes of this Act.]

14.2 [*****] **Omitted**

3[**15. Trust not to be entered on the register of share-holders.-** No. notice of any trust, express, implied or constructive, shall be entered on the register of shareholders or be receivable by the State Bank .]
4[Provided that nothing in this section shall apply to a depository in respect of shares held by it as a registered owner on behalf of the beneficial owners.

Explanation. :- For the purposes of Section 13, Section 13A and this section, the expressions "beneficial owner", "depository" and "registered owner" shall have the meanings respectively assigned to them in clauses (a), (e) and (j) of sub-section (1) of section 2 of the Depositories Act, 1996]

CHAPTER V

MANAGEMENT

16.	**Offices, branches and agencies.-** (1)	Unless otherwise provided by the Central

Government, by notification in the Official Gazette, the Central Office of the State Bank shall be at 5[Mumbai, and shall also be known as Corporate Centre].

(2) The State Bank shall have local head offices in 6[Mumbai, Kolkata and Chennai] and at such other places in India as the Central Government, in consultation with the Central Board, may determine.

(3) The State Bank shall maintain as its branches or agencies all branches or agencies of the Imperial Bank which were in existence 7[in India] immediately before the appointed day, and no such branch may be closed without the previous approval of the Reserve Bank.

(4) The State Bank may establish branches or agencies at any place in or outside India in addition to the branches or agencies referred to in sub-section (3).

(5) Notwithstanding anything contained in sub-section (4), the State Bank shall establish not less than four hundred branches in addition to the branches referred to in sub-section (3) within five years of the appointed day or such extended period as the Central Government may specify in this behalf, and the places where such additional branches are to be

1 Ins. by Act No.8 of 1997, S.4 (w.e.f. 15.01.1997) 2 Omitted by Act 3 of 1994, S. 6 (w.e.f. 15.10.1993) 3 Subs. by Act 3 of 1994, S. 7 (w.e.f. 15.10.1993) 4 Ins. by Act No.8 of 1997. S.5 (w.e.f. 15.01.1997)

5 Ins. by Act 27 of 2010, S. 9, for "Bombay" (w.e.f. 15.09.2010).

6 Ins. by Act 27 of 2010, S. 9, for "Bombay, Calcutta and Madras" (w.e.f. 15.09.2010). 7 Ins by Act 33 of 1955, S.4 (with retrospective effect).

established shall be determined in accordance with any such programme as may be drawn up by the Central Government from time to time in consultation with the Reserve Bank and the State Bank, and no branch so established shall be closed without the previous approval of the Reserve Bank.

17. Management. - (1) The general superintendence and direction of the affairs and business of the State Bank shall be entrusted to the Central Board which may exercise all powers and do all such acts and things as may be exercised or done by the State Bank and are not by this Act expressly directed or required to be done by the State Bank in general meeting.

(2) The Central Board in discharging its functions shall act on business principles, regard being had to public interest.

18.Central Board to be guided by directions of Central Government.- (1) In the discharge of its functions 1[including those relating to a subsidiary bank], the State Bank shall be guided by such directions in matters of policy involving public interest as the Central Government may, in consultation with the Governor of the Reserve Bank and the chairman of the State Bank, give to it.

(2) [All directions shall be given by the Central Government]2 and, if any question arises whether a direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final.

19. **Composition of the Central Board.-** The Central Board shall consist of the following, namely :-

(a) chairman 3[***] to be appointed by the Central Government in consultation with the Reserve Bank 4[.....];

(b) 5[such number of managing directors not exceeding four, as may be appointed by the Central Government in consultation with the Reserve Bank.]

6{ (bb) 7[*****]

(c) if the total amount of the holdings of the shareholders, other than the [Central Government]8, whose names are on the 9(register of shareholders) three months before the date fixed for election of directors is -

1 Ins by Act 38 of 1959, S. 64 and It. 2, Pt. VI of TH. Sch. (w.e.f. 10.9.59)
2 Subs. By Act 32 of 2007 sec.6 for the words 'All directions given by the Central Government shall be given through the Reserve Bank' w.e.f. 29.06.2007
3 The words "and a vice-chairman" omitted. by Act 27 of 2010, S. 10, (w.e.f. 15.09.2010).

4 Omitted by Act 73 of 1976, S. 4 (i) (a) (w.e.f. 11.6.1976)
5 Sub by Act 27 of 2010, S.10, (w.e.f. 15.09.2010), for the words "not more than two managing directors, if any, appointed *[by the Central Government in consultation with the Reserve Bank]".

(*Subs by Act 73 of 1976, S. 4 (i) (b) (w.e.f. 11.6.1976)).	the presidents of the

6 Subs. by Act 35 of 1964, S.3 for cls. (c) and (d) (w.e.f. 1-12-1964)). 7 Omitted by Act 27 of 2010, S.10, (w.e.f 15.09.2010) for the words "(bb)

Local Boards appointed under sub-section (5) of section 21, ex-officio". 8 Sub. by Act 32 of 2007 sec.7 for the words 'Reserve Bank' w.e.f. 29.06.2007 9 Subs. by Act 3 of 1994, S. 8 (ii) (w.e.f. 15-10-1993)

(i) not more than ten per cent of the total issued capital, two directors,

(ii) more than ten percent but not more than twenty-five percent of such capital, three directors, and

(iii)more than twenty-five per cent of such capital, four directors, to be elected in the prescribed manner by such shareholders;

1[(ca) one director, from among the employees of the State Bank, who are workmen, to be appointed by the Central Government in the manner provided in the rules made under this Act;

(cb) one director, from among such of the employees of the State Bank, as are not workmen, to be appointed by the Central Government in the manner provided in the rules made under this Act;]

(d) not less than two and not more than six directors to be nominated by the Central Government 2[****] from among persons having special knowledge of the working of co-operative institutions and of rural economy or experience in commerce, industry, banking or finance;}

(e) one director to be nominated by the Central Government ; and

(f) 3[one director, possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks to be nominated by the Central Government on the recommendation of the Reserve Bank.]
4[*****]

5{**19A.Qualifications for election of directors elected by shareholders.-** (*1*) The directors elected under clause (*c*) of section 19 shall—

(*a*) have special knowledge or experience in respect of one or more of the following areas, namely:—
(*i*) agriculture and rural economy,
(*ii*) banking,
(*iii*) co-operation,
(*iv*) economics,
(*v*) finance,
(*vi*) law,
(*vii*) small-scale industry,
(*viii*) any other area the special knowledge of, and experience in, which in the opinion of the Reserve Bank shall be useful to the State Bank;

(*b*) represent the interests of depositors; or

1 Ins by Act 48 of 1973, S. 3. (w.e.f. 1-7-1974).

2 The words "in consultation with the Reserve Bank," omitted by Act 27 of 2010, S. 10, (w.e.f. 15.09.2010).

3 Sub.. by Act 27 of 2010, S. 10, for "one director to be nominated by the Reserve Bank" (w.e.f. 15.09.2010).

4 Sub-Ss. (2) and (3) omitted by Act 35 of 1964, S. 3 (w.e.f. 1-12-1964).

5 Ins. by Act 27 of 2010, S. 11, (w.e.f. 15.09.2010).

(*c*) represent the interests of farmers, workers and artisans.

(*2*) Without prejudice to the provisions of sub-section (*1*) and notwithstanding anything to the contrary contained in this Act or in any other law for the time being in force, no person shall be eligible to be elected as director under clause (*c*) of section 19 unless he is a person having fit and proper status based upon track record, integrity and such other criteria as the Reserve Bank may notify from time to time in this regard and the Reserve Bank may specify in the notification issued under this subsection, the authority to determine the fit and proper status, the manner of such determination, the procedure to be followed for such determinations and such other matters as may be considered necessary or incidental thereto.

(*3*) Where the Reserve Bank is of the opinion that any director of the State Bank elected under clause (*c*) of section 19 does not fulfil the requirements of subsections (*1*) and (*2*), it may, after giving to such director and the State Bank a reasonable opportunity of being heard, by order, remove such director.

(*4*) On the removal of a director under sub-section (*3*), the Central Board shall co-opt any other person fulfilling the requirements of sub-sections (*1*) and (*2*), as a director in place of the person so removed, till a director is duly elected by the shareholders of the State Bank in the next annual general meeting; and the person so co-opted shall be deemed to have been duly elected by the shareholders of the State Bank as a director.

19B.Power of Reserve Bank to appoint additional directors.- (*1*) If the Reserve Bank is of the opinion that in the interest of banking policy or in the public interest or in the interests of the State Bank or its depositors, it is necessary so to do, it may, from time to time and by order in writing appoint, with effect from such date as may be specified in the order, one or more persons as additional directors of the State Bank.

(*2*) Any person appointed as additional director under sub-section (*1*) shall,—

(*a*) hold office during the pleasure of the Reserve Bank and subject thereto for a period not exceeding three years or such further periods not exceeding three years at a time as the Reserve Bank may, by order, specify;

(*b*) not incur any obligation or liability by reason only of his being an additional director or for anything done or omitted to be done in good faith in the execution of the duties of his office or in relation thereto; and

(*c*) not be required to hold qualification shares in the State Bank.

(*3*) For the purpose of reckoning any proportion of the total number of directors of the State Bank, any additional director appointed under this section shall not be taken into account.}

20.Term of office of chairman, managing director, etc.- (1)	1[The chairman	2[***]

and each managing director] shall hold office for such term, not exceeding five years, as the Central Government may fix when appointing them and shall be eligible for reappointment.

1 Subs by Act 73 of 1976, S. 4 (ii) (a) (w.e.f. 11-6-1976).

2 The words "the vice-chairman" omitted by Act 27 of 2010, S. 12 (a), (w.e.f. 15.09.2010).

1[(1A) Notwithstanding anything contained in sub-section (1), the Central Government shall have the right to terminate the term of office of the chairman 2[***] or a managing director,

as the case may be, at any time before the expiry of the term fixed under sub-section (1) by

giving him notice of not less than three months in writing or three months' salary and allowances in lieu of such notice, and the chairman 3[***] or a managing director, as the case

may be, shall also have the right to relinquish his office at any time before the expiry of the

term so fixed by giving to the Central Government notice of not less than three months in

writing.]

4[(2) *****]

(3) Subject to the provisions contained in section 19 5[.....], a director elected under clause (c) 6[.....] of 7[that section] shall hold office for 8[three years] 9[…….] 10[.....], and shall be eligible for re-election 11[.....].

12[Provided that no such director shall hold office continuously for a period exceeding six

years.]

13{3(A) 14[Subject to the provisions contained in sub-section (4), a director] appointed under clause (ca) or clause (cb) 15[of section 19 16(or nominated under clause (d) of that

section)] shall hold office for such term, not exceeding three years, as the Central Government may specify 17[***], and shall be eligible for 18[re-appointment or re-

nomination, as the case may be].}

19[Provided that no such director shall hold office continuously for a period exceeding six

years.]

1[(4) A director appointed under clause (ca) or clause (cb) 2[of section 19 or nominated

under clause (d) or clause (e) or clause (f) of that section] shall hold office during the

pleasure of the authority appointing or nominating him, as the case may be].

1 Ins. by Act 73 of 1976, S. 4 (ii) (b) (w.e.f. 11-6-1976).

2 The words "vice-chairman" omitted by Act 27 of 2010, S. 12(b), (w.e.f. 15.09.2010).

3The words "vice-chairman" omitted by Act 27 of 2010, S. 12(b), (w.e.f. 15.09.2010).

4 Omitted by Act 73 of 1976, S. 4 (ii) (c) (w.e.f. 11-6-1976).

5 Omitted by Act 66 of 1988, S. 12 (a) (i) (w.e.f. 8.7.1992).

6 Omitted by Act 3 of 1994, S. 9 (a) (w.e.f. 15.10.1993).

7 Subs. by Act 66 of 1988, S. 12. (a) (ii) (w.e.f. 8.7.1992).

8 Subs. by Act 66 of 1988, S. 12. (a) (ii) (w.e.f. 8.7.1992).

9 The words "and thereafter until his successor shall have been duly elected" omitted by Act 45 of

2006, Sec.14.

10 Omitted by Act 66 of 1988, S. 12(a) (iii) (w.e.f. 8.7.1992).

11 Omitted by Act 66 of 1988, S. 12(a) (iii) (w.e.f. 8.7.1992).

12 Ins. by Act 66 of 1988, S. 12 (a) (iv) (w.e.f. 8.7.1992).

13 Ins. by Act 48 of 1973, S. 4 (w.e.f. 1.7.1974).

14 Subs. by Act 66 of 1988, S. 12(b) (i) (w.e.f. 8.7.1992).

15 Subs. by Act 3 of 1994, S. 9 (b) (w.e.f. 15.10.1993).

16 Ins. by Act 66 of 1988, S. 12 (b) (ii) (w.e.f. 8.7.1992).

17 The words "and thereafter until his successor shall have been *[duly appointed or nominated]"

omitted by Act 27 of 2010, S. 12 (c), (w.e.f. 15.09.2010). (*Subs. by Act 66 of 1988, S. 12, for "duly

appointed" (w.e.f. 8.7.1992).

18 Subs. by Act 66 of 1988, S. 12 (b) (iii) (w.e.f. 8.7.1992). 19 Ins. by Act 66 of 1988, S. 12. (b) (iv) (w.e.f. 8.7.1992).

3[(5) *****]

4[**21.Local Boards**.- (1) There shall be constituted at each place where the State Bank has a local head office, a Local Board which shall consist of the following members, namely :-

5[(a) the chairman, *ex officio* or the managing director nominated by the chairman;]

6[(b) all such directors elected or nominated to the Central Board under clause (c) or clause (d) of section 19 as are ordinarily resident in the area falling within the jurisdiction of the local head office;]

(c) six members to be nominated by the Central Government 7[***];

(d) 8(.....).

(e) 9[the chief general manager] of the local head office, appointed by the State Bank, ex-officio.

10[(2)Where as a result of the establishment of any local head office (hereinafter referred to as "the new local head office") for any area which is already falling within the jurisdiction of another local head office (hereinafter referred to as "the existing local head office") a Local Board (hereinafter referred to as "the new Local Board") is constituted for the new local head office, any person who is, at the time of such constitution, holding office as a member of a Local Board (hereinafter referred to as "the existing Local Board") for an existing local head office under clause (c) of sub-section (1) and is ordinarily resident in the area falling within the jurisdiction of the new local head office, shall cease to hold office as member of the existing Local Board and shall become a member of the new Local Broad and shall on becoming such member be deemed to have been nominated to the new Local Board and shall hold office as such member for the unexpired portion of his term of office as a member of the existing Local Board.;]

(3) Any vacancy caused in the existing Local Board as a result of any member thereof becoming a member of the new Local Board under sub-section (2) shall be deemed to be a casual vacancy and be filled in accordance with the provisions of Section 25.

(4) 11 (.....).

1[(5) The 2[Central Government] shall, in consultation with the chairman, appoint-

1 Subs. by Act 66 of 1988, S. 12(c) (w.e.f. 8.7.1992).

2 Subs. by Act 3 of 1994, S. 9 (c) (w.e.f. 15.10.1993).

3 Omitted by Act 66 of 1988, S. 12 (d) (w.e.f. 8.7.1992).

4 Subs. by Act 35 of 1964, S. 5 for S. 21 (w.e.f. 1.12.1964).

5 Subs. by Act 27 of 2010, S. 13 for the words "(a) the chairman, *ex-officio*;", (w.e.f. 15.09.2010). 6 Subs. by Act 3 of 1994, S. 10 (a) (i) (w.e.f. 15.10.1993).

7 The words "in consultation with the Reserve Bank" omitted by Act 27 of 2010, S. 13, (w.e.f. 15.09.2010).

8 Omitted by Act 3 of 1994, S. 10 (a) (ii) (w.e.f. 15.10.1993).

9 Subs. by Act 48 of 1973, S. 5, for the words "the secretary and treasurer" (w.e.f. 1.7.1974). 10 Subs. by Act 3 of 1994, S. 10 (b) (w.e.f. 15.10.1993).

11 Omitted by Act 3 of 1994, S. 10 (c) (w.e.f. 15.10.1993).

(a) a member of a Local Board nominated under clause (c) of sub-section (1) to be the president thereof ; and

(b) a member of a Local Board holding office under clause (b) or nominated under clause (c) of that sub-section to be the vice-president thereof.]

3{[**21ATerm of office of members of Local Board.-** 4[5((1) Subject to the provisions contained in this section and in sub-section (2) of Section 21, a member of a Local Board nominated under clause (c) of sub section (1) of Section 21 shall hold office for such term, not exceeding three years, as the Central Government may specify in this behalf 6[……] and shall be eligible for re-nomination :

Provided that no such director shall hold office continuously for a period exceeding six years.)]

(2) 7[.....].

(3) A director of the Central Board becoming a member of a Local Board by virtue of the provisions of clause (b) of sub-section (1) of section 21 shall cease to hold office as such member on his ceasing to be a director or on his ceasing to be ordinarily resident in the relevant area.

(4) The president and the vice-president of a Local Board shall each hold office for two years or the remaining period of his office as a member of the Local Board, whichever is shorter, and shall be eligible for re-appointment so long as he is a member of the Local Board.

8[(5) A member of a Local Board nominated under clause (c) of sub-section (1) of section 21 shall hold office during the pleasure of the Central Government.]

9[**21B.Powers of Local Board.-** In respect of the area falling within the jurisdiction of the local head office for which the Local Board has been constituted, a Local Board shall, subject

1 Subs. by Act 3 of 1994, S. 10 (d) (w.e.f. 15.10.1993).

2 Subs. by Act 27 of 2010, S. 13(b) for the words "Governer of the Reserve Bank", (w.e.f.

15.09.2010).

3 Ss. 21A, 21B and 21C ins by Act 35 of 1964, S. 6. (w.e.f. 1.12.1964).

4 Subs. by Act 3 of 1994, S. 22 (a) (Please also see S. 1 (2) of Act 66 of 1988).

5 Subs. by Act 66 of 1988, S. 13 (1)(a). w.e.f. 25-10-99 vide Govt. Notification dt. 25-10-99. (Please also see Act 3 of 1994 S.22(a)).

6 The words "and thereafter until his successor has been duly nominated" omitted by Act 45 of 2006, Sec.15
7 Omitted by Act 3 of 1994, S. 11 (w.e.f. 15.10.1993).

8 Ins. by Act 66 of 1988, S-13 (b). w..e.f. 25-10-99 vide Govt . Notification no dt. 25-10-99. 9 Subs. by Act 27 of 2010, S. 14, (w.e.f. 15.09.2010). The section before its amendment was "21B**.** Save as may otherwise be prescribed and subject to any general or special directions which the Central Board may give from time to time, a Local Board shall, in respect of the area *[falling within the jurisdiction] of the local head office for which the Board has been constituted, exercise all powers and perform all

functions and duties of the State Bank **[in relation to the business of banking and the forms of business set out in clauses (a), (b), (e), (f), (g), (h), (i), (k) and (l) of sub-section (1) of section 6 of the Banking Regulation Act, 1949 (10 of 1949), and such other forms of business referred to in sub-section (1) of the said section 6, as may be approved by the Central Board in this behalf and

to such general or special direction as the Central Board may give from time to time, exercise such powers and perform such duties and functions as may be entrusted or delegated to it by the Central Board.]

21C. Local Committees.- (1) A Local Committee may be constituted by the Central Board for any area and shall consist of such number of members as may be prescribed.

1[(2) The Chairman or the managing director nominated by him shall be an *ex-officio* member of every such Local Committee.]

(3) A Local Committee shall exercise such powers and perform such functions and duties as the Central Board may confer on or assign to it.}

22.Disqualifications for directorship of Central Board or membership of Local Boards or of Committees.- (1) No person shall be qualified to be a director of the Central Board or a member of a Local Board or of a Local Committee if-

(a) he holds the office of director, provisional director, promoter, agent or manager of any banking company already established or advertised as about to be established; or

(b) he is a salaried officer of Government not specially authorised by the Central Government to be a director or member; or

(c) he has been removed or dismissed from the service of Government on a charge of corruption or bribery; or

(d) he holds any office of profit under the State Bank other than the office of chairman, 2[***] 3[managing director 4(chief general manager) or legal or technical adviser]; or

5[(da) in the case of a director appointed under clause (ca) or clause (cb) 6(.....) of Section 19-

shall also] exercise such other powers and perform such other functions and duties as may be conferred on or assigned to it by the Central Board.

***[Provided that a Local Board shall transact the business of borrowing of money and the acquiring, holding, issuing on commission, under-writing and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments, only if the Central Board approves any of such businesses in this behalf and confers or assigns any of such businesses to the Local Board.]" (*Subs. by Act 3 of 1994, S. 12 (w.e.f. 15.10.1993); ** Subs. by Act 48 of 1973, S. 6. (i) for the words "in relation to any business that may be carried on or transacted by the State Bank under sub-section (1) of section 32 and clauses (i) (excluding the proviso), *(ii), (iii), (v) to (ix), (xa), (xii)* to *(xv), (xviii), (zixb)* and *(xixc)* of section 33 and shall" (w.e.f. 1.7.1974).; *** Ins. by Act 48 of 1973, S. 6 (ii) (w.e.f.1-7-1974).)

1 Subs. by Act 27 of 2010, S. 15, (w.e.f. 15.09.2010). The subsection before its amendment was "(2) The chairman shall be an ex-officio member of every such Local Committee."

2The word "vice-chairman" was omitted by Act 27 of 2010, S. 16, (w.e.f. 15.09.2010).

3 Subs. by Act 26 of 1959, S. 2 (a) for "or managing director"..

4 Subs. by Act 48 of 1973, S. 7. (i) "secretary and treasurer" (w.e.f. 1.7.1974).

5 Ins. by Act 48 of 1973, S. 7 (ii) (w.e.f. 1-7-1974).

6 Omitted by Act 3 of 1994, S. 13. (a) (i) (w.e.f. 15.10.1993).

(i) he is not serving in the State Bank or has not been serving in it for a continuous period of at least five years; and

(ii) he is of such age that there is a likelihood of his attaining the age of superannuation during his term of office as a director; or]

(e) he is or at any time has been adjudicated an insolvent or has suspended payment of his debts or has compounded with his creditors; or

(f) he is declared lunatic or becomes of unsound mind; or

(g) he is or has been convicted of any offence involving moral turpitude; or

1[(h) in the case of an elected director, he is not registered as a holder in his own right of unencumbered shares in the State Bank, either as sole holder or as first named holder when jointly held, of a nominal value of at least five thousand rupees:]

2[Provided that in the case of a director appointed under clause (ca) or clause (cb) of section 19, the disqualification mentioned in clause (d) shall not operate;]

(2) No two persons who are partners of the same firm or are directors of the same private company or one of whom is an agent of the other or holds a power of attorney from a firm of which the other is a partner may be directors of the Central Board or members of the same Local Board or Local Committee at the same time.

(3) The appointment, nomination or election as director or member of a Local Board or of a Local Committee of any person who is a member of Parliament or the Legislature of any State shall be void unless within two months of the date of his appointment, nomination or election he ceases to be a member of Parliament or the State Legislature, and if any director or member of a Local Board or of a Local Committee is elected or nominated as a member of Parliament or any State Legislature, he shall cease to be a director or member of the Local Board or of the Local Committee as from the date of such election or nomination, as the case may be,

3[(4) In this section,-

(a) "banking company" has the same meaning as in the 4[Banking Regulation Act, 1949 (10 of 1949)];

(b) "manager" means the chief executive officer, by whatever name called, of a banking company;

(c) "private company" has the same meaning as in the Companies Act, 1956 (1 of 1956).]

1 Subs. by Act 27 of 2010, S. 16, (w.e.f. 15.09.2010). The subsection before its amendment was "*[(h)	in

the case of an elected director, he is not registered as a holder in his own right of unencumbered shares in the State Bank of a nominal value of at least five thousand rupees :" (*Subs. by Act 3 of 1994, S. 13 (a) (ii) (w.e.f.

15-10-1993).)

2Ins. by Act 48 of 1973, S. 7 (iii) (w.e.f. 1-7-1974).

3 Ins. by Act 26 of 1959, S. 2 (b).

4 Subs. by Act 3 of 1994, S. 13 (b) (w.e.f. 15.10.1993).

23.Vacation of office of directors, etc..-a Local Board or a Local Committee-

If a director of the Central Board or a member of

(a) becomes subject to any of the disqualifications mentioned in section 22; or

(b) resigns his office by giving notice in writing under his hand, in the case of 1[the chairman 2[***] and a managing director], to the Central Government and in the case

of other directors or members of Local Boards or Committees, to the Central Board,

and the resignation is accepted; or

(c) is absent without leave of the Central Board, the Local Board or the Local Committee

of which he is a director or member, as the case may be, for more than three

consecutive meetings thereof,

his seat shall thereupon become vacant.

3[*****]

24. Removal from office of directors, etc..- (1) The Central Government may, after consulting the Reserve Bank, remove from office 4[the chairman 5[***] or a managing

director].

6[(2) * ***]

(3) The Central Government 7[***] may remove from office any director 8[appointed under clause (ca) or clause (cb) or nominated under clause (d)] 9[of section 19] 10[or any

member of a Local Board nominated under clause (c) of sub-section (1) of section 21] and 11[appoint or nominate as the case may be] in his stead another person to fill the vacancy.

(4) The shareholders, other than the [Central Government]12, may, by a resolution passed

by majority of the votes of such shareholders holding in the aggregate not less than one-half

of the share capital held by all such shareholders, remove any director elected under clause (c) 13[.....] of section 19 and elect in his stead another person to fill the vacancy.

(5) 14[.....].

(6) No person shall be removed from his office under sub-section (1) 15[.....] or sub-

section (3) unless he has been given an opportunity of showing cause against his removal.

1 Subs. by Act 73 of 1976, S. 4 (iii) (w.e.f. 11-6-1976).

2The word "vice-chairman" was omitted by Act 27 of 2010, S. 17, (w.e.f. 15.09.2010). 3 Proviso which was added by Act 21 of 1957, S. 3. omitted by Act 26 of 1959, S. 3.

4 Subs. by Act 73 of 1976, S. 4 (iv) (a) (w.e.f. 11-6-1976).

5The word "vice-chairman" was omitted by Act 27 of 2010, S. 18, (w.e.f. 15.09.2010). 6 Omitted by Act 73 of 1976, S. 4 (iv) (b) (w.e.f. 11.6.1976).

7The words "after consulting the Reserve Bank" was omitted by Act 27 of 2010, S. 18, (w.e.f.

15.09.2010).

8 Subs. by Act 48 of 1973, S. 8 (i) for the words "nominated under clause (d)" (w.e.f. 1.7.1974). 9 Subs. by Act 3 of 1994, S. 14 (a) (w.e.f. 15.10.1993).

10 Ins. by Act 35 of 1964, S. 8 (w.e.f. 1-12-1964).

11 Subs. by Act 48 of 1973, S. 8 (ii) for the word "nominate" (w.e.f. 1-7-1974).

12 Subs. by Act 32 of 2007 sec.8 for the words 'Reserve Bank' w.e.f. 29.06.2007 13 Omitted by Act 3 of 1994, S. 14 (b) (w.e.f. 15.10.1993).

14 Omitted by Act 3 of 1994, S. 14 (c) (w.e.f. 15.10.1993).

15 Omitted by Act 73 of 1976, S. 4. (iv) (c) (w.e.f. 11.6.1976).

1**[24A.Supersession of Central Board in certain cases.-** (*1*) Where the Central Government, on the recommendation of the Reserve Bank is satisfied that in the public interest or for preventing the affairs of the State Bank being conducted in a manner detrimental to the interest of the depositors or the State Bank or for securing the proper management of the State Bank, it is necessary so to do, the Central Government may, for reasons to be recorded in writing, by order, supersede the Central Board for a period not exceeding six months as may be specified in the order:

Provided that the period of supersession of the Central Board may be extended from time to time, so, however, that the total period shall not exceed twelve months.

(*2*) On supersession of the Central Board under sub-section (*1*), the Central Government may, in consultation with the Reserve Bank appoint an Administrator (not being an officer of the Central Government or a State Government) who has experience in law, finance, banking, economics or accountancy, for such period as it may determine.

(*3*) The Central Government may issue such directions to the Administrator as it may consider necessary and the Administrator shall be bound to follow such directions.

(*4*) Notwithstanding anything contained in this Act, upon making the order of supersession of the Central Board—

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

(*b*) all the powers, functions and duties which may, by or under the provisions of this Act or any other law for the time being in force, be exercised and discharged by or on behalf of the Central Board, or by a resolution passed in the general meeting of the State Bank, shall, until the Central Board is reconstituted, be exercised and discharged by the Administrator appointed under sub-section (*2*):

Provided that the powers exercised by the Administrator shall be valid notwithstanding that such power is also exercisable by a resolution passed in the general meeting of the State Bank.

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

(*6*) The committee shall meet at such times and places and observe such rules of procedure as may be specified by the rules made under this Act.

(*7*) The salary and allowances of the Administrator and the members of the committee shall be such as may be specified by the rules made under this Act and be payable by the State Bank.

(*8*) On and before the expiration of two months before the expiry of the period of supersession of the Central Board, the Administrator of the State Bank shall call the general meeting of the State Bank to elect new directors and re-constitute the said Board.

1Ins. by Act 27 of 2010, S. 19, (w.e.f. 15.09.2010).

(*9*) Notwithstanding anything contained in any other law for the time being in force or in any contract, no person shall be entitled to claim any compensation for the loss or termination of his office on supersession of the Central Board.

(*10*) The Administrator appointed under sub-section (*2*) shall vacate office immediately after the re-constitution of the Central Board.]

25.Casual Vacancies.-1[(1) If the chairman 2[***] or a managing director is rendered incapable of discharging his duties by reason of infirmity or otherwise or is absent on leave or otherwise in circumstances not involving the vacation of his office, the Central Government may, in consultation with the Reserve Bank, appoint another person to officiate in the vacancy.]

3[(2) Where any vacancy occurs before the expiry of the term of office of a director, other than the chairman 4[***] or a managing director or 5(a director appointed under clause (ca) or 6[clause (cb) of section 19 or of a member of a Local Board other than the chief general manager) the vacancy shall be filled-

(a) in the case of an elected director, by election; and

(b) in the case of a director nominated under clause (d) of section 19 or a member of a Local Board nominated under clause (c) of sub-section (1) of section 21, by nomination 7[***] :

Provided that where the duration of the vacancy in the office of an elected director is likely to be less than six months, the vacancy may be filled by the remaining directors.;]

(3) A person elected or nominated or co-opted, as the case may be, 8[under sub-section (2)] shall hold office for the unexpired portion of the term of his predecessor.

9[(4) Where any vacancy occurs before the expiry of the term of office of a director appointed under clause (ca) or clause (cb) 10(.....) of section 19, such vacancy shall be filled in accordance with the said clause (ca) or, as the case may be, clause (cb), and the director so appointed shall hold office for the period specified under sub-section (3A) of section 20.]

26.Remuneration of directors.- (1) Without prejudice to the provisions contained in sections 27, 28 and 29, the directors shall be paid such fees and allowances for attending the

1 Subs. by Act 73 of 1976, S. 4 (v) (w.e.f. 11-6-1976).

2The word “vice-chairman” was omitted by Act 27 of 2010, S. 20(a), (w.e.f. 15.09.2010).

3 Subs. by Act 35 of 1964, S. 9 (w.e.f. 1-12-1964).

4The word “vice-chairman” was omitted by Act 27 of 2010, S. 20(b), (w.e.f. 15.09.2010).

5 Subs. by Act 48 of 1973, S. 9 (i) for the words “of a member of a Local Board other than the secretary and treasurer” (w.e.f. 1-7-1974).

6 Subs. by Act 3 of 1994, S. 15. (a) (w.e.f. 15.10.1993).

7 The words “in consultation with the Reserve Bank” was omitted by Act 27 of 2010, S. 20(b), (w.e.f. 15.09.2010).

8 Subs. by Act 48 of 1973, S. 9 (ii), for the words “under this section” (w.e.f. 1-7-1974).

9 Ins. by Act 48 of 1973, S. 9 (iii) (w.e.f. 1.7.1974).

10 Omitted by Act 3 of 1994, S. 15 (b) (w.e.f. 15-10-1993).

meetings of the Central Board or of any of its committees and for attending to any other work of the State Bank as may be prescribed.

(2) Notwithstanding anything contained in sub-section (1), no fees shall be payable to a managing director or any other director who is an officer of the Central Government or the Reserve Bank.

27.	**Powers and remuneration of chairman.-** (1)	The chairman shall preside at all

meetings of the Central Board and, subject to such general or special directions as the Central Board may give, exercise all such powers and do all such acts and things as may be exercised or done by the State Bank .

(2) The chairman shall receive such salary, fees, allowances and perquisites 1[as may be determined by the Central Government.]

2[******]

3[**28**. [*****]] **Omitted**

29.Powers and remuneration of managing director.- (1) A managing director -

(a) shall be a whole-time officer of the State Bank; 4[***]

(b) subject to the general control of the chairman 5[***] shall exercise such powers and perform such duties as may be entrusted or delegated to him by the Central Board6[; and]

7[(c) when authorised by the chairman, shall preside at the meetings of the Central Board in his absence.]

(2) A managing director shall receive such salary and allowances 8[as may be determined by the Central Government.]

1[*****]

1 Subs. by Act 73 of 1976, S. 4 (vi) (a) (w.e.f. 11.6.1976).

2 Omitted by Act 73 of 1976, S. 4 (vi) (b) (w.e.f. 11-6-1976).

3 Omitted by Act 27 of 2010, S. 21, (w.e.f. 15.09.2010). The section before its amendment was: "28.

Powers and remuneration of vice-chairman.-	(1)	The vice-chairman shall preside at the

meetings of the Central Board in the absence of the chairman and, subject to the general control of the chairman, exercise such powers and perform such duties as may be entrusted or delegated to him by the Central Board.

(2) The vice-chairman shall receive such salary, fees, allowances and perquisites $[as may be determined by the Central Government.]
$$ [*******]
(3) The fact that the vice-chairman exercises any of the powers and does any act or thing for or on behalf of the State Bank shall be conclusive proof of his authority to do so." ($ Subs. by Act 73 of 1976, S. 4 (vii) (a) (w.e.f. 11-6-1976).; $$ Omitted by Act 73 of 1976, S. 4 *(vii)(b)* (w.e.f. 11-6-1976).)
4 The word "and" was omitted by Act 27 of 2010, S. 29(a), (w.e.f. 15.09.2010).

5 The words "and the vice-chairman" was omitted by Act 27 of 2010, S. 29(b), (w.e.f. 15.09.2010). 6 Ins. by Act 27 of 2010, S. 22(b), (w.e.f. 15.09.2010).

7 Ins. by Act 27 of 2010, S. 22(c), (w.e.f. 15.09.2010).

8 Subs. by Act 73 of 1976, S. 4 *(viii)(a)* (w.e.f. 11-6-1976).

30. Executive and other committees of the Central Board.- The Central Board may constitute such and so many committees, including an executive committee, of itself as it deems fit to exercise such powers and perform such duties as may, subject to such conditions, if any, as the Central Board may impose, be delegated to them by the Central Board.

31. Meetings of the Central Board.-2[(1) The Central Board shall meet at such time and place and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed; and the meeting of the Central Board may be held by participation of the directors of the Central Board through videoconferencing or such other electronic means, as may be prescribed, which are capable of recording and recognising the participation of the directors and the proceedings of such meetings are capable of being recorded and stored:

Provided that the Central Government may in consultation with the Reserve Bank, by notification in the Official Gazette, specify the matters which shall not be discussed in a meeting of the Central Board held through videoconferencing or such other electronic means.

(2) All questions at the meeting shall be decided by a majority of the votes of the directors present in the meeting or through videoconferencing or such other electronic means and in the case of equality of votes the chairman or, in his absence, the managing director authorised by the chairman shall have a second or casting vote.]

(3) A director who is directly or indirectly concerned or interested in any contract, loan, arrangement or proposal entered into or proposed to be entered into by or on behalf of the State Bank shall at the earliest possible opportunity disclose the nature of his interest to the Central Board and shall not be present at any meeting of the Central Board when any such contract, loan, arrangement or proposal is discussed unless his presence is required by the other directors for the purpose of eliciting information, and no director so required to be present shall vote on any such contract, loan, arrangement or proposal:

3[Provided that nothing contained in this sub-section shall apply to such director by reason only of his being-

(i) a shareholder (other than a director) holding not more than two percent of the paid-up capital in any public company as defined in the Companies Act, 1956 (1 of 1956), or any corporation established by or under any law for the time being in force in India or any co-operative society, with which or to which the State Bank has entered into or made, or proposes to enter into or make, a contract, loan, arrangement or proposal; or

(ii) a director *ex-officio* of the State Bank or a director of a subsidiary bank] 4[or]

1 Omitted by Act 73 of 1976, S. 4 *(viii)(b)* (w.e.f. 11-6-1976).

2 Subs. by Act 27 of 2010, S. 23, (w.e.f. 15.09.2010). The subsections before its amendment was "(1) The Central Board shall meet at such time and place and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

(2) All questions at the meeting shall be decided by a majority of the votes of the directors present and in the case of equality of votes the chairman or, in his absence, the vice-chairman shall have a second or casting vote."
3 Ins. by Act 56 of 1962, S. 2.

4 Ins. by Act 48 of 1973, S. 10 *(i) (a)* (w.e.f. 1.7-1974).

1[*(iii)* an officer or other employee of the State Bank, if he is a director appointed under clause *(ca)* or clause *(cb)*2[.....] of section 19.]

(4) If for any reason neither the chairman nor the 3[managing director authorised by the chairman] is able to be present at a meeting of the Central Board, any director, 4[.....], authorised by the chairman in writing in this behalf, and in the absence of such authorisation, 5[any director] elected by the directors present from amongst themselves, shall preside at the meeting and, in the event of equality of votes, shall have a second or casting vote.

6[**31A**. **Meetings of Local Boards.-** (1) A Local Board shall meet at such time and place and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed
(2) All questions at the meeting shall be decided by a majority of the votes of the members present and in the case of equality of votes, the person presiding at the meeting shall have a second or casting vote.

(3) A member who is directly or indirectly concerned or interested in any contract, loan, arrangement or proposal entered into or proposed to be entered into by or on behalf of the State Bank, shall, at the earliest possible opportunity, disclose the nature of his interest to the Local Board and shall not be present at any meeting of the Local Board

when any such contract, loan, arrangement or proposal is discussed unless his presence is required by the other members for the purpose of eliciting information, and no member so required to be present shall vote on any such contract, loan, arrangement or proposal;

Provided that nothing contained in this sub-section shall apply to such member by reason only of his being -

(i) a shareholder (other than a director) holding not more than two percent of the paid-up capital in any public company as defined in the Companies Act, 1956 (1 of 1956), or any corporation established by or under any law for the time being in force in India or any co-operative society, with which or to which the State Bank has entered into or made, or proposes to enter into or make, a contract, loan, arrangement or proposal; or

(ii) a director *ex-officio* of the State Bank or a director of a subsidiary bank.

(4) If for any reason neither the president nor the vice-president is able to be present at a meeting of the Local Board, any member, 7[other than the chief general manager], elected by the members present from amongst themselves, shall preside at the meeting.

(5) Notwithstanding anything contained in this section, the chairman shall preside at any meeting of a Local Board at which he is present and in the absence of the chairman, 1[the

1 Ins. by Act 48 of 1973, S. 10*(i)(b)* (w.e.f. 1-7-1974).

2 Omitted by Act 3 of 1994, S. 16 (w.e.f. 15-10-1993).

3 Subs. by Act 27 of 2010, S. 23(b), for "vice-chairman" (w.e.f. 15.09.2010).

4 Omiited the words "other than a managing director" by Act 48 of 1973, S. 10*(ii)(a)* (w.e.f. 1-7-1974).

5 Subs. by Act 48 of 1973, S. 10 *(ii)(b)* for the words "any such director" (w.e.f. 1-7-1974). 6 Ins. by Act 35 of 1964, S. 10 (w.e.f. 1-12-1964).

7 Subs. by Act 48 of 1973, S. 11 for the words "other than the secretary and treasurer" (w.e.f. 1-7-1974).

managing director authorized by the chairman], shall, whenever he is present, preside at such meeting.]

CHAPTER VI

BUSINESS OF THE STATE BANK

32.State Bank to act as agent of the Reserve Bank. - (1) The State Bank shall, if so required by the Reserve Bank, act as agent of the Reserve Bank at all places in India where it has a branch 2[or where there is a branch of a subsidiary bank], and where there is no branch of the banking department of the Reserve Bank, for-

(a) paying, receiving, collecting and remitting money, bullion and securities on behalf of any Government in India; and

(b) undertaking and transacting any other business which the Reserve Bank may from time to time entrust to it.

(2) The terms and conditions on which any such agency business shall be carried on by the State Bank on behalf of the Reserve Bank shall be such as may be agreed upon.

(3) If no agreement can be reached on any matter referred to in sub-section (2) or if a dispute arises between the State Bank and the Reserve Bank as to the interpretation of any agreement between them, the matter shall be referred to the Central Government and the decision of the Central Government thereon shall be final.

(4) The State Bank may transact any business or perform any functions entrusted to it under sub-section (1) 3[by itself or through a subsidiary bank] or through an agent approved by the Reserve Bank.

4[**33.Other Business which the State Bank may transact.-** Subject to the other provisions contained in this Act, the State Bank may carry on and transact the business of banking as defined in clause *(b)* of section 5 of the Banking Regulation Act,1949 (10 of 1949), and may engage in one or more of the other forms of business specified in sub-section (1) of section 6 of that Act.]

34.Business which the State Bank may not transact.- 5[******]

(6) Save as otherwise provided in 6[this Act], the State Bank shall not own or acquire any 7[.....] immovable property except for the purpose of providing buildings or other accommodation in which to carry on the business of the State Bank or for providing residences for its officers and other employees:

1 Subs. by Act 27 of 2010, S. 24, for "the vice-chairman, if he is a member of the Local Board" (w.e.f. 15.09.2010).

2 Ins. by Act 38 of 1959, S. 64 and It. 3*(a)*, Pt. VI of Th. Sch.

3 Subs. by Act 38 of 1959, S. 64 and It. 3*(b),* Pt. VI of Th. Sch. for "either by itself". 4 Subs. by Act 48 of 1973, S. 12 (w.e.f. 1-3-1977).

5 Omitted by Act 48 of 1973, S. 13 (w.e.f. 1-3-1977).

6 Subs. by Act 56 of 1962, S. 2 for "Section 33".

7 The words "interest in" omitted by Act 56 of 1962, S. 2.

Provided that if any such building or other accommodation is not immediately required for any of the purposes of the State Bank , the State Bank may utilize it to the best advantage by letting it out or in any other manner.

35.	**State Bank may acquire the business of other banks.-** (1)	The State Bank

may, with the sanction of the Central Government, and shall, if so directed by the Central Government in consultation with the Reserve bank, enter into negotiations for acquiring the business, including the assets and liabilities, of any banking institution.

1[(2)The terms and conditions relating to such acquisition, if agreed upon by the Central Board of the State Bank and the directorate or management of the banking institution concerned and approved by the Reserve Bank, shall be submitted to the Central Government for its sanction and that Government may by order in writing (hereafter in this section referred to as the order of sanction) accord its sanction thereto.

(3) Notwithstanding anything contained in this Act or any other law for the time being in force or any instrument regulating the constitution of the banking institution concerned, the terms and conditions as sanctioned by the Central Government shall come into effect on the date specified by the Central Government in this behalf in the

order of sanction and be binding upon the State Bank and the banking institution concerned as well as upon the share-holders (or, as the case may be, proprietors) and creditors of that banking institution.

(4) If for any reason the terms and conditions cannot come into effect on the date specified in the order of sanction, the Central Government may fix another suitable date for that purpose.

(5) On the date on which the terms and conditions as aforesaid come into effect the business and the assets and liabilities of the banking institution concerned as covered by the acquisition shall, by virtue, and in accordance with the provisions, of the order of sanction stand transferred to, and become respectively the business and the assets and liabilities of, the State Bank.

(6) The consideration for the acquisition of the business and the assets and liabilities of any banking institution under this section, may, if so agreed upon, be paid either in cash or by allotment of shares in the capital of the State Bank or partly in cash and partly by allotment of shares, and the State Bank may, for the purpose of any such allotment, increase, subject to the other provisions contained in this Act, relating to the increase of capital, the capital of the State Bank by the issue of such number of shares as may be determined by the State Bank.

(7) Any business acquired under this section shall thereafter be carried on by the State Bank in accordance with the provisions of this Act, subject to such exemptions or modifications as the Central Government may, by notification in the Official Gazette, make in this behalf in consultation with the Reserve Bank.

Provided that no such exemption or modification, shall be made so as to have effect for a period of more than seven years from the date of acquisition.

(8) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947), or in any other law or in any agreement for the time being in force, on the acquisition of the business and the assets and liabilities of any banking institution under this section, no officer or other employee of that banking institution shall be entitled to any compensation to which

1 Subs. by Act 26 of 1959, S. 6 for original sub-Ss. (2), (3) and (4).

he may be entitled under that Act or that other law or that agreement and no claim in respect of such compensation shall be entertained by any court, tribunal or other authority, if on his having accepted in writing an offer of employment by the State Bank on the terms and conditions proposed by it he has been employed in accordance with such terms and conditions.

(9) The Central Government may, if it considers necessary or expedient in the case of any banking institutions in relation to which an order of sanction has been made under this section, appoint, whether before or after the coming into effect of the terms and conditions relating to the acquisition of the business and the assets and liabilities of that banking institution, a suitable person to take over the management of that banking institution for the purposes of winding up its affairs and distributing its assets, and the expenditure incurred in connection with such management (including the remuneration for the person so appointed and his staff, if any) shall be paid out of the assets of the banking institution or by the State Bank as the Central Government may direct.

(10) Simultaneously with the appointment of a suitable person to take over the management of any banking institution under sub-section (9) or immediately thereafter, the Central Government shall issue directions to be followed by that person in the management of that banking institutions for the purposes aforesaid and thereupon -

(a) the provisions of the Companies Act, 1956 (1 of 1956), or the 1(Banking Regulation Act, 1949 (10 of 1949))or any other law for the time being in force or any instrument having effect by virtue of any such Act or law, in so far as they are inconsistent with such directions shall cease to apply to or in relation to that banking institution;

(b) all persons in charge of the management, including any person holding office as manager or director of the banking institution immediately before the issue of such directions, shall be deemed to have vacated their offices as such; and

(c) The person appointed to take over the management of the banking institution shall in accordance with those directions take all such steps as may be necessary to facilitate the winding up of its affairs and distribution of its assets.

(11) The Central Government, when satisfied that nothing further remains to be done in order to wind up the affairs of any such banking institution, may by another order in writing direct that as from such date as may be specified therein the banking institution shall stand dissolved and thereupon any such direction shall have effect notwithstanding anything to the contrary contained in any other law.

(12) No action under this section shall be questioned on the ground merely of any defect in the constitution of any banking institution in relation to which such action has been taken or in the constitution of its Board of Directors or in the appointment of any person entrusted with the management of its affairs.

(13) In this section “banking institution” includes any individual or any association of individuals (whether incorporated or not, or whether a department of Government or a separate institution), carrying on the business of banking.]

1 Subs, by Act 3 of 1994, S. 17 (w.e.f. 15-10-1993)

1[**35A**. **Arrangement with the State Bank on appointment of directors to prevail.-** (1) Where any arrangement entered into by the State Bank with a company provides for the appointment by the State Bank of one or more directors of such company, such provisions and any appointment of directors made in pursuance thereof shall be valid and effective notwithstanding anything to the contrary contained in the Companies Act, 1956 (1 of 1956), or in any other law for the time being in force or in the memorandum, articles of association or any other instrument relating to the company, and any provision regarding share qualification, age limit, number of directorships removal from office of directors and such like conditions contained in any such law or instrument aforesaid, shall not apply to any director appointed by the State Bank in pursuance of the arrangement as aforesaid.

(2) Any director appointed as aforesaid shall -

(a) hold office during the pleasure of the State Bank and may be removed or substituted by any person by order in writing of the State Bank ;

(b) not incur any obligation or liability by reason only of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto;

(c) not be liable to retirement by rotation and shall not be taken into account for computing the number of directors liable to such retirement.]

CHAPTER VII

FUNDS, ACCOUNTS AND AUDIT

36. Integration and Development Fund.- (1) The State Bank shall maintain a special fund to be known as the Integration and Development Fund into which shall be paid -
(a) the dividends payable to the [Central Government]2 on such shares of the State Bank held by it as do not exceed fifty-five per cent of the total issued capital; and

(b) such contributions as the Central Government may make from time to time.

3[Provided that if the balance in the Integration and Development Fund on the date of declaration of any dividends by the State Bank is rupees five crores or more, no amount shall be paid into that Fund under clause (a) and the dividends payable to the [Central Government]4 shall be paid to that [Government]5; and if such balance on such date is less than rupees five crores, only so much of the dividends then payable as will bring such balance to rupees five crores shall be paid into that Fund and the balance of such dividends shall be paid to the [Central Government].]

(2) The amount in the said Fund shall be applied exclusively for meeting -

1 Ins. by Act 1 of 1984, S. 43 (w.e.f. 15-2-1984)
2 Sub. by Act32 of 2007, sec.9 for the words 'Reserve Bank' w.e.f. 29.06.2007.

3 Ins, by Act 35 of 1964 S. 12 (w.e.f.1-12-1964)
4 Subs. by Act 32 of 2007, sec.9 for the words 'Reserve Bank' in both the places w.e.f. 29.06.2007 5 Subs. by Act 32 of 2007 sec 9 for the words 'Paid to that Bank' w.e.f. 29.06.2007

(a) losses in excess of such yearly sum as may be agreed upon between the [Central Government]1 and the State Bank and attributable to the branches established in pursuance of sub-section (5) of section 16; 2[.....]

3[(aa) subsidies granted by the State Bank to a subsidiary bank with the approval of the [Central Government] , and]

(b) such other losses or expenditure as may be approved by the Central Government in consultation with the Reserve Bank.

(3) Subject to the provisions of Sub-Section (2) the said fund shall be the property of the [Central Government] Reserve Bank and no shareholder of the State Bank or any other person shall have any claim to the amount held in the said fund

4[(4) No amount applied for any of the purposes specified in sub-section (2) shall, for the purposes of the 5(Income-Tax Act, 1961 (43 of 1961)) be treated as income, profits or gains of the State Bank.]

37. Reserve Fund.- The State Bank shall establish a Reserve Fund which shall consist of-

(a) the amount held in the Reserve Fund of the Imperial Bank transferred to the State Bank on the appointed day; and

(b) such further sums as may be transferred to it by the State Bank out of its annual net profits before declaring a dividend.

38.	**Disposal of profits.-** (1)	After making provision for bad and doubtful debts,

depreciation in assets, equalisation of dividends, contribution to staff and superannuation funds and for all other matters for which provision is necessary by or under this Act or which are usually provided for by banking companies, the State Bank may, out of its net profits, declare a dividend.

(2) Subject to the provisions of paragraph 6 of the First Schedule, the rate of dividend shall be determined by the Central Board.

6**[38A. Transfer of unpaid or unclaimed dividend.-** (*1*) Where, after the commencement of the State Bank of India (Amendment) Act, 2010 (27 of 2010), a dividend has been declared by the State Bank but which has not been paid to a shareholder or claimed by any shareholder entitled to it, within thirty days from the date of declaration, the State Bank shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid, or unclaimed, to a special account to be named, the "unpaid dividend account" maintained by it.

1 Subs. by Act 32 of 2007 sec. 9 for the words 'Reserve Bank' in Clause(a), (aa) of sec.(2) and (3) w.e.f. 29.06.2007
2 Omitted by Act 38 of 1959 S 64 and It. 5, Pt VI of Th. Sch. (w..e.f.10-9-1959)
3 Ins. by Act38 of 1959, S.64 and It. 5 Pt. VI of Th. Sch. (w.e.f. 10-9-1959)
4 Ins. by Act 26 of 1959, S. 7.

5 Subs. by Act 3 of 1994, S. 18 (w.e.f. 15-10-1993) 6Ins. by Act 27 of 2010, S. 25, (w.e.f. 15.09.2010).

Explanation.— In this sub-section, the expression "dividend which remains unpaid" means any dividend the warrant in respect thereof has not been encashed or which has otherwise not been paid or claimed.

(*2*) Where the whole or any part of any dividend, declared by the State Bank before the commencement of the State Bank of India (Amendment) Act, 2010 (27 of 2010), remains unpaid at such commencement, the State Bank shall, within a period of six months from such commencement, transfer such unpaid amount to the account referred to in sub-section (*1*).

(*3*) Any money transferred to the unpaid dividend account of the State Bank, in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the State Bank to the Investor Education and Protection Fund established under sub-section (*1*) of section 205C of the Companies Act, 1956 (1 of 1956) for being utilised for the purpose and in the manner specified in that section.]

39. Books to be balanced each year.- The Central Board shall cause the books of the State Bank to be closed, and balanced 1[as] on the 31 st day of 2[March] 3[or such other date in each year as the Central Government may, by notification in the Official Gazette, specify4:]

5[Provided that with a view to facilitating the transition from one period of accounting to another period of accounting under this section, the Central Government may, by order published in the Official Gazette, make such provisions as it considers necessary or expedient for the closing and balancing of, or for other matters relating to, the books in respect of the concerned years.]

40. **Returns.-** (1) The State Bank shall furnish to the Central Government and to the Reserve Bank 6[within three months from the 31st day of 7[March] 8[or the date specified under section 39, as the case may be] as on which its books are closed and balanced] its balance sheet, together with the profit and loss account and the 9[auditors' report and a report by the Central Board on the working and activities of the State Bank] during the period covered by the accounts:

10[Provided that the Central Government may, after consultation with the Reserve Bank, extend the said period of three months by such further period, not exceeding three months, as it may think fit.]

1[(2) The balance sheet and the profit and loss account shall be signed by the chairman, managing directors and at least three other directors of the Central Board.],

1 Ins. By Act 48 of 1973, S. 14 (w.e.f. 31-12-1973)
2 Subs. by Act 27 of 2010, S. 26, for "December" (w.e.f. 15.09.2010).

3 Subs. by Act 66 of 1988, Sec. 14 (a) (w.e.f. 30-12-1988)
4 Central Government had specified the 31st day of March in each year as the date for the purpose of S.39. Notification No. 1242(E) dated 30th December 1988.

5 Ins. by Act 66 of 1988, Sec. 14 (b) (w.e.f. 30-12-1988)
6 Ins. by Act 66 of 1988, Sec. 15 (w.e.f. 30-12-1988)
7 Subs. by Act 27 of 2010, S. 27(a), for "December" (w.e.f. 15.09.2010).

8 Subs. by Act 48 of 1973, S. 15 (i) (w.e.f. 31-12-1973) 9 Subs. by Act 1 of 1984, S. 44 (i) (w.e.f. 15-2-1984) 10 Ins. by Act 48 of 1973, S.15 (ii) (w.e.f. 31-12-1973)

(3) The State Bank shall also, within two months from the date on which its accounts are closed and balanced, transmit to the Central Government and the Reserve Bank a statement showing, as far as may be available, the name, address and occupation of, and the number of shares held by, each shareholder of the State Bank as on the said date.

2[(4)The Central Government shall cause the auditors' report and the report by the Central Board on the working and activities of the State Bank to be laid, as soon as may be after they are received, before each House of Parliament 3[.....]

41.Audit.- (1) The affairs of the State Bank shall be 4[audited by two or more auditors] duly qualified to act as auditors of companies under 5[section 226 of the Companies Act, 1956 (1 of 1956)], who shall be appointed by 6[the State Bank with the previous approval of the Reserve Bank].

(2) The auditor shall receive such remuneration as the Reserve Bank may fix in consultation with the Central Government.

(3) An auditor may be a shareholder but no director or member of a Local Board or of a Local Committee or an officer of the State Bank shall be eligible to be an auditor during his continuance in office as such director, member or officer.

(4) An auditor shall on relinquishing office be eligible for re-appointment.

(5) The auditors shall severally be, and continue to act as , auditors until the 7[annual] general meeting after their respective appointment, and if any vacancy arises before the expiry of the term of office of an auditor, the vacancy may be filled by 8[the State Bank with the previous approval of the Reserve Bank].

(6) Every auditor shall by supplied with a copy of the annual balance sheet and profit and loss account, and a list of all books kept by the State Bank, and it shall be the duty of the auditor to examine the balance sheet and profit and loss account with the accounts and vouchers relating thereto, and in the performance of his duties, the auditor -

(a) shall have, at all reasonable times, access to the books, accounts and other documents of the State Bank;

(b) may, at the expense of the State Bank, or if he is appointed by the Central Government, at the expense of the Central Government, employ accountants or other persons to assist him in investigating such accounts; and

(c) may, in relation to such accounts, examine any director or any member of a Local Board or of a Local Committee or any officer of the State Bank.

1 Subs. by Act 27 of 2010, S. 27(b), for "(2) The balance sheet and the profit and loss account shall be signed by the chairman, vice-chairman, managing directors, if any, and a majority of the other directors," (w.e.f. 15.09.2010).

2 Ins, by Act 1 of 1984 S. 44 (ii) (w.e.f.15-2-1984)
3 Omitted by Act 81 of 1985, - S. 3 (w.e.f.1-5-1986)
4 Subs. by Act 48 of 1973, S.16 (i) (w.e.f. 31-12-1973)
5 Subs. by Act 26 of 1959, S. 8. (a) for "sub-S (1) of S.144 of the Indian Companies Act, 1913 (VII of 1913)"
6 Subs. by Act 27 of 2010, S. 28(a), for "the Reserve Bank in consultation with the Central Government" (w.e.f. 15.09.2010).

7 Subs. by Act 26 of 1959, S. 8 (b) for "first" ;
8 Subs. by Act 27 of 2010, S. 28(b), for "the Reserve Bank" (w.e.f. 15.09.2010).

(7) The auditors shall make a report to the Central Government upon the annual balance sheet and accounts, and in every such report they shall state -

(a) whether, in their opinion, the balance sheet is a full and fair balance sheet containing all the necessary particulars and properly drawn up so as to exhibit 1[a true and fair view] of the affairs of the State Bank, and in case they have called for any explanation or information, whether it has been given and whether it is satisfactory;

(b) whether or not the transactions of the State Bank which have come to their notice have been within the powers of the State Bank;

(c) whether or not the returns received from the offices and branches of the State Bank have been found adequate for the purpose of their audit;

(d) whether the profit and loss account shows a true balance of 2[profit or loss] for the period covered by such account, and

(e) any other matter which they consider should be brought to the notice of the shareholders or the Central Government, as the case may be.

3[Explanation 1- For the purposes of this Act,

(a) the balance sheet shall not be treated as not disclosing a true and fair view of the affairs of the State Bank, and

(b) the profit and loss account shall not be treated as not showing a true balance of profit or loss for the period covered by such account, merely by reason of the fact that the balance sheet or, as the case may be, the profit and loss account, does not disclose any matters which are, by the provisions of the Banking Regulation Act, 1949 (10 of 1949), read with the relevant provisions of this Act, not required to be disclosed.

Explanation 2 - For the purposes of this Act, the accounts of the State Bank shall not be deemed as having not been properly drawn up on the ground merely that they do not disclose certain matters if -

(i) those matters are such as the State Bank is, by virtue of any provision contained in the Banking Regulation Act, 1949 (10 of 1949), read with the relevant provisions of this Act, or any other Act, not required to disclose; and

(ii) the provisions referred to in clause (i) are specified in the balance sheet and profit and loss account of the State Bank or in the auditors' report.]

(8) The auditors shall also forward a copy of the audit report to the State Bank .

(9) Without prejudice to anything contained in the foregoing provisions, the Central Government may appoint at any time such auditors as it thinks fit to examine and report on the accounts of the State Bank.

1 Subs. by Act 35 of 1964, S. 13 for "true and correct view" (w.e.f. 1-12-1964). 2 Subs. by Act 26 of 1959, S. 8 (c) for "profit and loss"
3 Ins, by Act 48 of 1973 S. 16 (ii) (w.e.f.1-12-1964)

1[**42**. **Balance sheet etc., of State Bank may be discussed at general meeting.-** (1) An annual general meeting shall be held in each financial year at the Corporate Centre or at such other place in Mumbai other than the Corporate Centre or at such other place in India and at such time, as shall from time to time be specified by the Central Board and a general meeting other than an annual general meeting may be convened by the State Bank at any other time and at such place in India as shall from time to time be specified by the Central Board:

Provided that such annual general meeting shall be held before the expiry of six weeks from the date on which the balance sheet together with the profit and loss account and auditors' report, under sub-section (*1*) of section 40, is forwarded to the Central Government or to the Reserve Bank, whichever date is earlier.

(*2*) The shareholders present at an annual general meeting shall be entitled to discuss and adopt the balance sheet and the profit and loss account of the State Bank made up to the previous 31st day of March or the date specified under section 39, as the case may be, the report of the Central Board on the working and activities of the State Bank for the period covered by the accounts and the auditors' report on the balance sheet and accounts.]

CHAPTER VIII

MISCELLANEOUS

43.State Bank may appoint officer and other employees.-2[(1)] The State Bank may appoint such number of officers, advisers and employees as it considers necessary or desirable for the efficient performance of its functions, and determine the terms and conditions of their appointment and service.

3[(2) The officers, advisers and employees of the State Bank shall individually or jointly or with other officers, advisers and employees in a Local Committee exercise such powers and

1 Subs. by Act 27 of 2010, S. 29,(w.e.f. 15.09.2010). The section before its amendment was: "42. Balance sheet etc., of State Bank may be discussed at general meeting.- (1) A general meeting (*[in this Act] referred to as annual general meeting) shall be held ** [in each year] at such time and at such place where there is a local head office of the State Bank, as shall from time to time be specified by the Central Board *** [.....] and a general meeting may be convened by the State Bank at any other time: $[Provided that such annual general meeting shall be held before the expiry of six weeks from the date on which the balance sheet, together with the profit and loss account and auditors' report, is under sub-section (1) of section 40 forwarded to the Central Government or to the

Reserve Bank, whichever date is earlier.]	(2)	The shareholders present at an annual

general meeting shall be entitled to discuss the balance sheet and the profit and loss account of the State Bank made up to the previous 31st day of December, $$ [or the date specified under section 39, as the case may be the report of the Central Board on the working, $$$(and activities) of the State Bank for the period covered by the accounts and the auditors' report on the balance sheet and accounts.]" ; {*Subs. by Act 26 of 1959, S. 9 for "hereinafter"; ** Ins. by Act 48 of 1973, S.17 (i) (w.e.f. 31-12-1973); *** Omitted by Act 48 of 1973, S. 17. (ii) (w.e.f. 31-12-1973); $ Subs. by Act 48 of 1973, S. 17 (iii) (w.e.f. 31-12-1973); $$Ins. by Act 66 of 1988, S. 16 (w.e.f. 30-12-1988); $$$ Ins. by Act 1 of 1984, S. 45 (w.e.f.15-2-1984)}.

2 S. 43 renumbered as sub-S. (1) of that Section by Act 35 of 1964, S. 14 (w.e.f.1-12-1964)
3 Subs. by Act 27 of 2010, S. 30, (w.e.f. 15.09.2010). The subsection before its amendment was: "#[(2) The officers, advisers and employees of the State Bank shall exercise such powers and perform such duties ##[as may by general or special order, be entrusted or delegated to them by the Central

perform such duties as may by general or special order, be entrusted or delegated to them by the Central Board or its executive committee.]

1[**43ABonus.-** (1) No officer, adviser or other employee (other than an employee within the meaning of clause (13) of Section 2 of Payment of Bonus Act, 1965 (21 of 1965)] of the State Bank shall be entitled to be paid any bonus.

(2) No employees of the State Bank, being an employee within the meaning of clause (13) of Section 2 of the Payment of Bonus Act, 1965 (21 of 1965), shall be entitled to be paid any bonus except in accordance with the provisions of that Act.

(3) The provisions of this section shall have effect notwithstanding any judgment, decree or order of any court, tribunal or other authority and notwithstanding anything contained in any other provision of this Act or in the Industrial Disputes Act, 1947 (14 of 1947), or any other law of the time being in force or any practice, usage or customer or any contract, agreement, settlement, award or other instrument.]"

44. Obligation as to fidelity and secrecy.- (1) The State Bank shall observe, except as otherwise required by law, the practices and usages customary among bankers, and, in particular, it shall not divulge any information relating to or to the affairs of its constituents except in circumstances in which it is, in accordance with the law or practice and usage customary among bankers, necessary or appropriate for the State Bank to divulge such information.

(2) Every director, member of a Local Board or of a Local Committee, auditor, adviser, officer or other employee of the State Bank shall, before entering upon his duties, make a declaration of fidelity and secrecy as in the form set out in the Second Schedule.

2[(3) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005.]

45. Bar to liquidation of State Bank.- No provision of law relating to the winding up of companies shall apply to the State Bank, and the State Bank shall not be placed in liquidation save by order of the Central Government and in such manner as it may direct.

46. Indemnity of directors and members of Local Boards and Local Committees, etc.- (1) Every director and every member of a Local Board or a Local Committee shall be indemnified by the State Bank against all losses and expenses incurred by him in or in relation to the discharge of his duties except such as are caused by his own willful act or default.

(2) Neither a director nor a member of a Local Board or a Local Committee shall be responsible for any loss or expenses caused to the State Bank by the insufficiency or deficiency of the value of or title to any property or security acquired or taken on behalf of the State Bank or by the insolvency or wrongful act of any customer or debtor or by anything done in or in relation to the execution of the duties of his office or otherwise than for his willful act or default.

Board.]" ; (# Ins, by Act 35 of 1964 S. 14 (w.e.f.1-12-1964); ## Subs. by Act 1 of 1984, S. 46 (w.e.f.15-2-1984)).

1 Ins. by Act 64 of 1984, S. 2 (w.e.f. 11-9-1984)
2 Ins. by Act 30 of 2005, sec. 34 and Sch., Pt. IV.

47. Defects in appointment or constitution not to invalidate acts or proceedings.- (1) No act or proceeding of the Central Board or of a Local Board or a Local Committee shall, be questioned on the ground merely of the existence of any vacancy or defect in the constitution of the Board or Committee, as the case may be.

(2) All acts done by any person acting in good faith as a director or as a member of a Local Board or of a Local Committee shall, notwithstanding that there was some defect in his appointment or qualifications, be as valid as if he was a director of the Central Board or a member of the Local Board or the Local Committee, as the case may be.

1[**48**. **Power to remove difficulties**.- ******] **Omitted**

49. Power of Central Government to make rules.- (1) The Central Government, in consultation with the Reserve Bank, may, by notification in the Official Gazette, 2[make rules to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.]
(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for -

(a) the procedure for the payment of compensation3 under this Act;

(b) the determination of persons to whom the said compensation shall be payable in all cases, including cases where shares in the Imperial Bank have been held by more than one person, or where they have been transferred before the appointed day but the transfer has not been registered or where the shareholder is dead.

4[(c) the manner of appointment of a director under clause (ca) or clause (cb)5(.....) of section 19, and all other matters connected therewith or incidental thereto.]

6[(*d*) the time and place of meeting of the Committee and the rules of procedure to be observed by it under sub-section (*6*) of section 24A;

(*e*) the salary and allowances of the Administrator and the members of the committee under sub-section (*7*) of section 24A.]

7[(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

1 Rep. by Act 35 of 1964, S. 15 (w.e.f. 1-12-1964)
2 Subs. by Act 48 of 1973, S. 18 (i) (w.e.f. 31-12-1973)
3 For the State Bank (Compensation on Imperial Bank Shares) Rules, 1955, sec Gazette of India Extraordinary, Pt. II, sec 3. page 1409.

4 Ins, by Act 48 of 1973 S. 18 (ii) (w.e.f. 31-12-1973) 5 Omitted by Act 3 of 1994, S. 19 (w.e.f. 15-10-1993) 6 Ins. by Act 27 of 2010, S. 31,(w.e.f. 15.09.2010).

7 Ins. by Act 1 of 1984 S. 47 (w.e.f.15-2-1984)

modification or annulment shall be without prejudice to the validity of anything previously done under that rule.]

50.	**Power of Central Board to make regulations.-** (1)	The Central Board may,

after consultation with the Reserve Bank and with the previous sanction of the Central Government 1[by notification in the official Gazette] make regulations, not inconsistent with this Act and the rules made thereunder, to provide for all matters for which provision is expedient for the purpose of giving effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for -

(a) the nature of shares of the State Bank, the manner in which and the conditions subject to which shares may be held and transferred and generally all matters relating to the rights and duties of shareholders;

2[(aa) the procedure for increasing issued capital by the issue of equity or preference shares under sub-section (*2*) and the manner of accepting money for issued capital, forfeiture and re-issue of shares under sub-section (*5*), of section 5;

(*ab*) the manner of nominating an individual by one individual under subsection (*1*), the manner of nominating an individual by the joint holders under sub-section (*2*), the manner of varying or cancellation of nomination under sub-section (*3*), and the manner of nominating a minor under sub-section (*4*), of section 10A;]

3[(b) the maintenance of the register of shareholders, and the particulars to be entered in such register in addition to those specified in section 13, the safeguards to be observed in the maintenance of register of shareholders on computer 4[floppies or diskettes or any other electronic form], the inspection and closure of the register of shareholders and all other matters connected therewith;]

(c) the holding and conduct of elections under this Act, including the allocation of elected directors to the various areas 5[falling within the jurisdiction of each Local Head Office], and the final determination of doubts or disputes regarding the qualifications of candidates for election or regarding the validity of elections;

6[(ca) the determination of areas falling within the jurisdiction of each local head office ;]

7[(d)the powers, functions and duties of Local Boards and the restrictions, conditions or limitations, if any, subject to which they may be exercised or performed, the formation and constitution of Local Committees (including the number of members of any such Committee) and of committees of Local Boards, the powers, functions and duties of such Committees, the holding of meetings of Local Committees and committees of Local Boards and the conduct of business thereat;]

(e) the fees and allowances which may be paid to directors, or members of Local Boards or Local Committees for attending any meetings of the Central Board or of its committees or of the Local Boards or Local Committees, as the case may be, or for attending to any other work of the State Bank.

1 Ins. by Act 66 of 1988, S.17 (w.e.f. 30-12-1988) 2 Ins. by Act 27 of 2010, S. 32,(w.e.f. 15.09.2010).

3 Subs. by Act 3 of 1994, S. 20 (i) (w.e.f. 15-10-1993)
4Subs. by Act 27 of 2010, S. 32, for “floppies of diskettes”,(w.e.f. 15.09.2010).

5 Subs. by Act 3 of 1994, S. 20 (ii) (w.e.f. 15-10-1993)
6 Ins. by Act 3 of 1994, S. 20 (iii) (w.e.f. 15-10-1993)
7 Subs. by Act 35 of 1964, S. 16 for cl. (d) (w.e.f. 1-12-1964).

(f) the manner in which the business of the Central Board 1[or of Local Boards] shall be transacted and the procedure to be followed at the meetings thereof;

(g) the formation of committees of the Central Board and the delegation of powers and functions of the Central Board to such committees and the conduct of business in such committees;

(h) 2[*****]

(i) the manner in which general meetings shall convened, the procedure to be followed thereat and the manner in which voting rights may be exercised;

(j) the holding of meetings of shareholders 3[.....] and the business to be transacted thereat;

(k) the manner in which notices may be served on behalf of the State Bank upon shareholders or other persons;

(l) the provision of seals for the State Bank and the manner and effect of their use;

(m) the conduct and defence of legal proceedings and the manner of signing pleadings;

(n) the duties and conduct of officers, other employees, advisers and agents of the State Bank;

4[(o) the establishment and maintenance of superannuation, pension, provident or other funds for the benefit of the employees of the State Bank or of the dependents of such employees or for the purposes of the State Bank, and the granting of superannuation allowances, annuities and pensions payable out of any such fund;]

(p) the form and manner in which contracts binding on the State Bank may be executed;

5[(q) the terms, conditions, stipulations, restrictions and limitations, if any, in the transaction by the State Bank of its businesses in regard to the advancing or lending of money or the discounting or purchase of any instrument, negotiable or otherwise, with or without reference to any security, purpose, amount, period or otherwise;]

(r) the conditions subject to which alone, advances may be made to directors, members of Local Boards or of Local Committees or officers of the State Bank, or the relatives of such directors, members or officers or to companies, firms or individuals with which or with whom such directors, members, officers, or relatives, are connected as partners, directors, managers, servants, shareholders, or otherwise;

(s) the statements, returns, and forms that are required for the purposes of this Act;

(t) the payment of dividends, including interim dividends;

1 Ins. by Act 35 of 1964, S.16 (w.e.f. 1-12-1964)
2 Cl. (h) omitted by Act 35 of 1964, S. 16 (w.e.f. 1-12-1964) 3 Omitted by Act 3 of 1994, S. 20 (iv) (w.e.f. 15-10-1993) 4 Subs, by Act 26 of 1959 S. 10 for the original clause.

5 Subs. by Act 48 of 1973, S. 19 (i) (w.e.f. 31-12-1973)

(u) generally for the conduct of the business of the State Bank.

1[(2A) All regulations made under this section shall have effect from such earlier or later date as may be specified in the regulations.]

(3) Notwithstanding anything contained in this section, the first regulations shall be made by the Reserve Bank with the previous sanction of the Central Government, and thereupon shall be deemed to be the regulations made by the Central Board under this section and shall have force accordingly until they are amended or repealed

2[(4) Every regulation shall, as soon as may be after it is made under this Act by the Central Board, be forwarded to the Central Government and that Government shall cause a copy of the same to be laid 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 regulation or both Houses agree that the regulation should not be made, the regulation 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 regulation.]

3[**51.Requirements of foreign law to be complied with in certain cases.-** If, according to the laws of any country outside India, the provisions of this Act by themselves are not effective to transfer to and vest in the State Bank any asset or liability which forms part of the undertaking of the Imperial Bank and which is situate in that country, the Imperial Bank shall take all such steps as may be required by the laws of that country for the purpose of effecting or perfecting such transfer and vesting, and in connection therewith the Imperial Bank may realise any asset and discharge any liability and transfer the net proceeds thereof to the State Bank.]

52.Amendment of Act 2 of 1934.-4[*****] **Omitted**

53.Amendment of Act 10 of 1949.-5[*****] **Omitted**

6{**54.Amendment of Act 47 of 1920.-**7[*****] **Omitted**

55.No proceeding to lie in India against Imperial Bank after appointed day.- On and from the appointed day, no persons shall make any claim or demand or take any proceeding in India against the Imperial Bank or a director, officer or other employee thereof in his capacity as such director, officer or employee except in so far as may be necessary for enforcing the provisions of this Act or except in so far as it relates to any offence committed by any such director, officer or employee.

1 Ins. by Act 48 of 1973, S. 19 (ii) (w.e.f. 31-12-1973)
2 Ins. by Act 1 of 1984, S. 48 (w.e.f.. 15-2-1984)
3 Subs, by Act 33 of 1955, S. 5 for original section (with retrospective effect).

4 Rep.by the Repealing and Amending Act, 1960 (58 of 1960), S. 2, Sch. I.

5 Rep.by the Repealing and Amending Act, 1960 (58 of 1960), S. 2, Sch. I. 6 Ss. 54-57 ins. by Act 33 of 1955, S. 6 (with retrospective effect).

7 Rep.by the Repealing and Amending Act, 1960 (58 of 1960), S. 2, Sch. I.

56. References to the Imperial Bank, the Bank of Bengal, etc. in other laws.- On and from the appointed day, any reference to the Imperial Bank or to the Bank of Bengal, the Bank of Madras or the Bank of Bombay in any law (other than this Act or the Imperial Bank of India Act, 1920 (47 of 1920)) or in any contract or other instrument shall, except as otherwise provided in any general or special order made by the Central Government, be deemed to be a reference to the State Bank.

57.Dissolution of Imperial Bank, etc.- (1) On such day as the Central Government may, by notification in the Official Gazette, specify in this behalf, the Imperial Bank shall stand dissolved, and the Imperial Bank of India Act, 1920 (47 of 1920), shall stand repealed.1

(2) On the day specified in the notification under sub-section (1), the State Bank shall pay to the Reserve Bank a sum of ten lakhs of rupees.

(3) If, on the day specified in the notification under sub-section (1), the Imperial Bank has in its possession or custody any assets created on or after the appointed day, such assets shall be disposed of in accordance with the directions issued by the Central Government in this behalf.}

THE FIRST SCHEDULE

(See section 9)

Compensation for the transfer of shares of the Imperial Bank to the Reserve Bank

1. In this Schedule. "shareholder" means any person who immediately before the appointed day is registered as the holder of a share in the Imperial Bank.

2. As compensation for the shares in the capital of the Imperial Bank which, by reason of this Act, are transferred to and vested in the Reserve Bank, the Reserve Bank shall pay to every shareholder, in the manner set out hereinafter, an amount calculated at the rate of one thousand seven hundred and sixty-five rupees and ten annas per share in the case of a fully paid up share and four hundred and thirty-one rupees, twelve annas and four pies per share in the case of partly paid up share.

3. Notwithstanding the transfer of the shares in the capital of the Imperial Bank to the Reserve Bank, any shareholder who immediately before the appointed day is entitled to payment of dividend on the shares of the Imperial Bank held by him shall be entitled to receive from the State Bank -

(a) all dividends accruing due on his shares in respect of any half-year which ended before the appointed day and remaining unpaid;

(b) dividends calculated at a rate to be specified by the Central Government in respect of any period immediately preceding the appointed day for which the Imperial Bank has not declared any dividend.

1 Central Government has specified 31 st day of December 1991 as the day on which the Imperial Bank shall stand dissolved and the imperial bank of India Act 1920 (47) of 1920 shall stand repealed- Notification No 1/1/91/-bo-1 dated 30th December 1991.

4. (1) The compensation provided for in this schedule shall be given in Central Government securities, and the form of such securities and the value thereof, computed with reference to their market value shall be such as the Central Government may, by notification in the Official Gazette, specify in this behalf:

Provided that where the amount of such compensation is not an exact multiple of the value of the government security as so notified, the amount in excess of the nearest lower multiple of such value shall be paid by cheque drawn on the Reserve Bank.

(2) Notwithstanding anything contained in sub-paragraph (1), any person who is registered as the holder of a share in the Imperial Bank on the 19th day of December, 1954, and continues to be so until the appointed day shall, if he applies in writing in this behalf to the Reserve Bank before the expiry of three months from the appointed day, be entitled to be paid, by cheque drawn on the Reserve Bank, any compensation payable to him up to the first ten thousand rupees.

5. (1) Any shareholder to whom compensation is payable under this Schedule may apply to the Reserve Bank before the expiry of three months from the appointed day for the transfer to him of shares in the State Bank in lieu of such compensation, and for the purposes of such transfer the value of each share of the State bank shall be such as may be determined by the Reserve Bank in this behalf.

(2) If on receipt of an application under sub-paragraph (1), the Reserve Bank, in its discretion, decides to transfer any shares to the applicant, it shall issue to the State Bank a warrant in the prescribed

form directing it to transfer in favour of the person specified in the warrant such number of shares as may be specified therein out of the shares standing allotted to in under sub-section (1) of section 5, and the State Bank shall be bound to comply with such warrant.

(3) A warrant issued by the Reserve Bank under this paragraph shall not be liable to duty under the Indian Stamp Act, 1899 (2 of 1899).

6. (1) The Reserve Bank may, if it decides to transfer, in pursuance of paragraph 5, more than two lakhs, fifty-three thousand and one hundred and twenty-five shares, require the State Bank to issue to it such further shares as may be necessary to secure that is holds not less than fifty-five per cent of the issued capital of the State Bank, and the State Bank shall without prejudice to the provisions contained in sub-section (3) of section5, comply with such requirement on the Reserve Bank subscribing one hundred rupees for each share.

(2) No share issued to the Reserve Bank at par under this paragraph shall carry dividend at a rate higher than four per cent annum.

THE SECOND SCHEDULE

(See section 44)

Declaration of Fidelity and Secrecy

I..... .....do hereby declare that I will faithfully, truly and to the best of my skill and ability

execute and perform the duties required of me as Director, member of Local Board, member of Local Committee, auditor, adviser, officer or other employee (as the case may be) of the State bank and which properly relate to the office or position in the said State Bank held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the State Bank or to the affairs of any person having any dealing with the State Bank; nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the State Bank and relating to the business of the State Bank or to the business of any person having any dealing with the State Bank.

THE THIRD SCHEDULE

[Amendments to the Reserve Bank of India Act, 1934]

Repealed by the Repealing and Amending Act, 1960 (58 of 1960), S. 2, Sch. I. (w.e.f. 26-12-1960)

THE FOURTH SCHEDULE

[Amendments to the 1Banking Companies Act, 1949]

Repealed by the Repeating and Amending Act, 1960 (58 of 1960), S. 2, Sch. I. (w.e.f. 26-12-1960)

2[THE FIFTH SCHEDULE]

[Amendments to the Imperial Bank of India Act, 1920]

Repealed by the Repealing and Amending Act, 1960 (58 of 1960), S. 2, Sc. I. (w.e.f. 26-12-1960)

****

LIST OF AMENDING ENACTMENTS

1)The State Bank of India (Amendment) Act, 1955 (No. 33 of 1955).

2)The State Bank of India (Amendment) Act, 1957 (No. 21 of 1957).

3)The State Bank of India (Amendment) Act, 1959 (No. 26 of 1959).

1 Now called the Banking Regulation Act, 1949.

2 Ins. by Act 33 of 1955, S.7 (with retrospective effect).

4)The State Bank of India (Subsidiary Banks) Act, 1959 (No.38 of 1959).

5)The Repealing and Amending Act, 1960 (No. 58 of 1960).

6)The Reserve Bank of India (Amendment) Act, 1962 (No. 35 of 1962).

7)The State Associated Banks (Miscellaneous Provisions) Act, 1962 (No. 56 of 1962). 8)The Unit Trust of India Act, 1963 (No. 52 of 1963).

9)The State Bank of India (Amendment) Act, 1964 (No. 35 of 1964).

10)The Banking Laws (Amendment) Act, 1968 (No. 58 of 1968).

11)The State Bank Laws (Amendment) Act, 1973 (No. 48 of 1973).

12)The Banking and Public Financial Institutions Laws (Amendment) Act, 1976 (No. 73 of 1976).

13)The Banking Laws (Amendment) Act, 1983 (No. 1 of 1984).

14)The Banking Laws (Amendment) Act, 1984 (No. 64 of 1984).

15)The Banking Laws (Amendment) Act, 1985 (No. 81 of 1985).

16)The Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988 (No. 66 of 1988).

17)The State Bank of India (Amendment) Act, 1993 (No. 3 of 1994).

18)Depositories Related Laws (Amendment) Act, 1997 (No. 8 of 1997).

19)The Credit Information Companies (Regulation) Act, 2005 (30 of 2005).

20)The Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Laws (Amendment) Act, 2006 (45 of 2006)
21)State Bank of India Amendment Act, 2007. (32 of 2007)
22)State Bank of India Amendment Act, 2010. (27 of 2010)
23)The Banking Laws (Amendment) Act, 2012 (No. 4 of 2013) (w.e.f. 18.01.2013)

LIST OF ABBREVIATIONS USED

Am.	--	--	--	--	for Amended
Cls.	--	--	--	--	” Clauses

Dt.	--	--	--	--	” Dated
Ins.	--	--	--	--	” Inserted
It.	--	--	--	--	” Item
Pt.	--	--	--	--	” Part
Rep.	--	--	--	--	” Repealed
Resn. C.B.S.B.I.		--	--	--	” Resolution of Central Board of the State

Bank of India

S.	--	--	--	--	” Section
Ss.	--	--	--	--	” Sections
Subs.	--	--	--	--	” Substituted
Th. Sch.	--	--	--	--	” Third Schedule

N.B.-- All additions, substitutions and deletions are shown in foot-notes.

****

THE STATE BANK OF INDIA GENERAL REGULATIONS, 1955

(As amended by the State Bank of India General (Amendment) Regulations, 2017)

THE STATE BANK OF INDIA GENERAL REGULATIONS, 1955

(As amended by the State Bank of India General (Amendment) Regulations, 2017**)**

In exercise of the powers conferred by sub-section (3) of section 50 of the State Bank of India Act, 1955 (23 of 1955), the Reserve Bank of India, with the previous sanction of the Central Government, has made the following regulations, namely;

CHAPTER I

INTRODUCTORY

1.	**Short title and commencement**.- (1) These regulations may be called the State Bank of India	Short title and commencement Definitions
General Regulations, 1955. (2) They shall come into force on the appointed day1.		
2.	**Definitions**.- In these regulations unless there is anything repugnant in the subject or context, ─	

2{(a) "Act" means the State Bank of India Act, 1955 (23 of 1955);

3[(aa) "Company" means a company as defined in section 2 of the Companies Act, 2013 (18 of 2013), or a

body corporate incorporated under any other law for the time being in force, and unless there is

anything repugnant in the subject or context, includes a Co-operative Society;]

(b) "Executive Committee" means the Executive Committee of the Central Board constituted under regulation 46;}

4[(c) "SEBI" means Securities and Exchange Board of India established under the Securities and

Exchange Board of India Act, 1992 (15 of 1992);

(d) "SEBI regulation" means any regulations or guidelines made or issued by the SEBI in accordance

with the Securities and Exchange Board of India Act, 1992 (15 of 1992).]	

CHAPTER II

SHARES AND SHARE REGISTER

3.	**Shares moveable property**.- The shares of the State Bank shall be moveable property.	Shares moveable property

1State Bank of India General Regulations, 1955 was first made by the Reserve Bank under sub-section (3) of section 50 of the State Bank of India Act, 1955 *vide* notification No.D.B.D.1246/S.B.15-55 published in Gazette of India, Extraordinary, Part I, Section 1, page 357 dated the 21st June 1955.

2Subs. by Resn. C.B.S.B.I., Dt. 29.11.1994.(w.e.f. 15-10-1993) for " (a) "the Act" means the State Bank of India Act, 1955 (23 of 1955); (b) "the Local Board concerned" in relation to any share means the Local Board under whose control the branch register on which the share is entered, is kept."

3 Inserted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation. 2(i)), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

4 Inserted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation. 2(ii)), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

1[**3A. Share Capital.-** (1) The share capital of the State Bank shall consist of equity share capital or equity and preference share capital.	Share Capital

(2) Equity share capital is that part of share capital, which is not preference share capital.

(3) Preference share capital is that part of share capital which fulfils the following conditions namely:–

(a) that as respects dividends, it carries a preferential right to be paid a fixed amount or an amount calculated at fixed rate or floating rate, which may be either free of or subject to income-tax; and

(b) that as respect capital, it carries or will carry, on winding up, to repayment of capital, a preferential right to be repaid the amount of the capital paid-up or deemed to have been paid up, whether or not there is preferential right to the payment of either or both of the following amounts, namely:-

(i) any money remaining unpaid, in respect of the amounts specified in clause (a) up to the date of winding up or repayment of capital, and

(ii) any fixed premium or premium on any fixed scale, specified by the Central Board or its Executive Committee with the previous sanction of the Central Government.

3B. Procedure for increasing issued capital by the issue of equity or preference shares.-The issued capital may be increased in accordance with the procedure, determined by the Central Board with due reference to the relevant SEBI regulation in respect of issue of capital: Provided that the issue of preference shares shall be in accordance with the guidelines framed by the Reserve Bank.	Procedure for increasing issued capital by the issue of equity or preference

shares

3C. Manner of accepting money for issued capital, forfeiture and reissue of

shares.- (1) The Central Board or its Executive Committee may, from time to time, make such calls as it thinks fit upon the shareholders in respect of all monies remaining unpaid on the shares held by them whether on account of nominal value of shares or by way of premium, which are by the conditions of allotment not made payable at fixed times, by giving not less than fourteen days notice for payment thereof and each shareholder shall pay the amount of every call so made on him at the time and place appointed by the Central Board or its Executive Committee or on such subsequent date as may be fixed by the Central Board or its Executive Committee. A call may be made payable by instalments and shall date back to the time when the resolution of	Manner of accepting money for issued capital, forfeiture and reissue of shares

the Central Board or its Executive Committee authorising such call was passed:

Provided that before the time fixed for payment of such call the Central Board or its Executive Committee may by notice in writing to the shareholder extend the time fixed for the payment or revoke the notice of call.

(2) If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call has been made or the instalment is due, shall pay interest on such sum at such rate as the Central Board or its Executive Committee may fix from time to time, from the day appointed for the payment thereof to the time of actual payment, but the Central Board or its Executive Committee may for reasons to be recorded in writing, waive wholly or in part, payment of such interest.

(3) (a) If any shareholder fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest up to the day appointed for the payment thereof, the State Bank may at any time thereafter, if the call or instalment or any part thereof or other monies remain unpaid in whole or in part, serve a notice of forfeiture on such shareholder or on the person (if any) entitled to the share by

1 Inserted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation. 3) , with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

transmission, requiring him to pay such call or instalment or such part thereof or other monies which remain unpaid together with any interest that may have accrued due.

(b) A notice of forfeiture shall state a date not being less than fourteen days from the date of notice and the time and place at which such call or instalment or interest remaining unpaid are to be paid and in the event of non-payment of the amount due upto the date fixed for payment, the share or shares in respect of which the call was made and the amount was due, shall be liable to be forfeited.

(4) If the shareholder or any other person on whom a notice of forfeiture has been served fails to comply with the same, the shares in respect of which the notice of forfeiture was given, may at any time after the date fixed for payment may be forfeited by a resolution of the Central Board or its Executive Committee and such forfeiture shall include all unpaid dividends in respect of the forfeited shares.

(5) Any share so forfeited shall be deemed to be the property of the State Bank and may be sold, re-allotted or otherwise disposed of to any person upon such terms and in such manner as the Central Board or its Executive Committee may decide.

(6) The State Bank may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share and the remedy of any person aggrieved by the sale shall be in damages only and against the State Bank exclusively.

(7) The Central Board or its Executive Committee may, at any time, before any share so forfeited under sub-regulation (4), have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it may think fit.

(8) Any shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the State Bank all calls, instalments, expenses and other monies owing upon or in respect of such shares at the time of forfeiture with interest thereon from the time of forfeiture until payment at such rate as may be specified by the Central Board or its Executive Committee and the Central Board or its Executive Committee may enforce the payment of the whole or a portion thereof.

(9) Neither a judgment nor a decree in favour of the State Bank for calls or other monies due in respect of any shares nor any payment or satisfaction thereunder nor the receipt by the State Bank of a portion of any money which shall be due from any shareholder from time to time in respect of any shares either by way of principal or interest nor any indulgence granted by the State Bank in respect of payment of any money shall preclude the forfeiture of such shares under these regulations.

(10) A certificate in writing signed by the person duly authorised by the State Bank, that the forfeiture of the share was made by a resolution of the Central Board or its Executive Committee to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such shares.

(11) When any share has been forfeited under sub-regulation (4), an entry of the forfeiture with the date thereof shall be made in the register.

(12) The forfeiture of a share shall extinct, at the time of the forfeiture, all interest in and all claims and demands against the State Bank, in respect of the share and all other rights incidental to the share, except only such of those rights expressly waived by these regulations.

(13) Upon any sale, re-issue, re-allotment or other disposal of forfeited shares in accordance with the sub-regulations, certificate(s) originally issued in respect of the relative shares shall (unless the same shall on demand by the State Bank have been previously surrendered to it by the defaulting shareholder) stand cancelled and become *null* and *void* and be of no effect.

(14) The Central Board or its Executive Committee shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(15) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(16) Subject to other provisions of these regulations, no shareholder shall be entitled to receive any dividend or to exercise any right of a shareholder until he has paid all calls for the time being due and payable on every share held by him, whether singly or jointly with any person, together with interest and expenses, as may be levied or charged.

(17) If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by instalments at fixed times, every such amount or instalment shall be payable as if it were a call duly made by the Central Board or its Executive Committee and of which due notice had been given and all the provisions herein contained in respect of the calls shall relate to such amount or instalment accordingly.

(18) (a) The State Bank shall have a first and paramount lien, –

(i) on every share (not being a fully-paid share), for all monies (whether payable or not) called, or payable at a fixed time, in respect of that share;

(ii) on all shares (not being fully-paid shares), standing registered in the name of a single person, for all monies payable by him or his estate to the State Bank;

(iii) upon all the shares (not being fully-paid shares) registered in the name of each person (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities, and engagements, solely or jointly with any other person to the State Bank, whether the period for the payment, fulfilment, or discharge thereof shall have actually arrived or not and no equitable interest in any share shall be recognised by the State Bank over its lien:

Provided that the Central Board or its Executive Committee may at any time declare any share to be wholly or in part exempt from provisions of this clause.

(b) The State Bank's lien, if any, on a share shall extend to all dividends payable thereon.

(19) (a) The State Bank may sell, in such manner as the Central Board or its Executive Committee thinks fit, any shares on which the State Bank has a lien,-

(i) if a sum in respect of which the lien exists is payable; and

(ii) after the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

(b) To give effect to any sale as above, the Central Board or its Executive Committee may authorise any officer to transfer the shares sold to the purchaser thereof.

(20) The net proceeds of any sale of shares under sub-regulation (19) after deduction of costs of such sale, shall be applied in or towards the satisfaction of the debt or liability in respect whereof the lien was enforced so far as the same is payable and the residue, if any, be paid to the shareholders or the person, if any, entitled by transmission of the shares so sold.

(21) (a) The State Bank may serve a notice or a document on any shareholder either personally, or by ordinary post at his registered address or if he has no registered address in India, at the address, if any, within India supplied by him to the State Bank.

(b) Where a document or a notice is sent by post, the service of such document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice:

Provided that where a shareholder has intimated to the State Bank in advance that documents should be sent to him by registered post, with or without acknowledgement due or by courier service or in an electronic mode and has deposited with the State Bank a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the shareholder:

Provided further that any notice sent by post shall be deemed to have been served on the third day following that on which the envelope or wrapper containing the same is posted, and in proof of which service it shall be sufficient to prove that the envelop or wrapper containing the notice was properly addressed, pre-paid and put into post office, and a certificate in writing signed by an employee of the State Bank that the envelope or wrapper containing the notice was properly addressed, pre-paid and posted shall be conclusive evidence thereof and in any other case, at the time at which the letter would have been delivered in the ordinary course.

(c) A notice or a document advertised in a newspaper having wide circulation in India shall be deemed to be duly served on the day on which the advertisement appears on every shareholder of the State Bank who has no registered address in India and has not supplied to the State Bank an address within India for giving of notice to him;

(d) A notice or document may be served by the State Bank on the joint holder of a share by effecting service on the joint holder named first in the register in respect of the share and notice so given shall be sufficient notice to all the holders of the said shares;

(e) A notice or a document may be served by the State Bank on the persons entitled to a share upon death or in consequence of the insolvency of a shareholder by sending it through post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons, claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred;

(f) The signature to any notice to be given by the State Bank may be written or printed.".

1[**4.**	**Control over shares and branch registers**.- (1)	Subject to the provisions of the Act and	Control over shares and branch registers
these regulations and such directions as the Central Board may give from time to time, the register of shareholders (hereinafter referred to as "the register") kept at the Central Office shall be maintained by, and be under control of the Central Board or its Executive Committee and the decision of the Central Board or its Executive Committee as to whether or not a person is entitled to be registered as a shareholder in respect to any			

share shall be final.

(2) In particular, and without prejudice to the foregoing provision, the Central Board or its Executive Committee shall, as regards the entries in the register under its control have the power to examine and pass or refuse to pass transfers and transmissions and to approve or refuse to approve transferees of shares and to give certificates of shares.]

5.	**Parties who may not be registered as shareholders**.- (1) Except as otherwise provided	Parties who may not be registered as shareholders
by these regulations, no minor or person who has been found by a Court of competent jurisdiction to be of unsound mind shall be entitled to be registered as a shareholder.		

(2) In the case of firms, shares shall be registered in the names of the individual partners, and no firm, as such, shall be entitled to be registered as a shareholder.

6.	**Particulars to be entered in the share registers**.- (1)	In addition to the particulars	Particulars to be entered in the share registers
specified in section 13 of the Act, the following particulars shall be entered in the 2[register]: (i) the manner in which each shareholder acquired his share or shares, 3[***] the name of the previous holder and the register on which the share was last entered;			

1Subs. by Resn. C.B.S.B.I., Dt. 29.11.1994.(w.e.f. 15-10-1993)for "4. (1) Subject to the provisions of the Act and these regulations, and such directions as the Central Board may give from time to time, the branch register kept at any Local Head Office shall be maintained by, and be under the control of, the Local Board at that place and the decision of the Local Board as to whether or not a person is entitled to be registered as as shareholder in respect of any share shall be final..

(2) In particular, and without prejudice to the foregoing provision, a Local Board shall, as regards the entries in the branch register under its control, have the power to examine and pass or refuse to pass transfers and transmissions and to approve or refuse to approve transferees of shares and to give certificates of shares.

(3) The Local Board shall cause a copy of every entry in the branch register under its control to be forwarded immediately to Central Office for entry in the principal register."
2Subs. by Resn. C.B.S.B.I., Dt. 29.11.1994.(w.e.f. 15-10-1993) for "principal register as well as the branch registers."
3Omitted by Resn.C.B.S.B.I. Dt. 02.05.2008 "and except in the case of allotment of shares to the Reserve Bank under sub-section(1) of Section 5 of the Act"

1[(ii) whether the shareholder belongs to either of the following category of shareholders namely, 2[Central Government] or any other residuary category;]

(iii) when any person ceases to be a shareholder, the name of the person in whose favour 3[***] the share or shares are transferred; and

(iv) such further particulars as the Central Board may specify.

(2) A separate ledger shall be maintained in respect of shares issued under sub-paragraph (1) of paragraph 6 of the First Schedule to the Act.

(3) In the case of joint holders of any shares, their names and other particulars required by sub-regulation (1) shall be grouped under the name of the first of such joint holders.

(4) 4[***]

7.	**Exercise of rights of joint holders.-**	If any share stands in the name of two or more	Exercise of rights of joint holders
persons the person first named in the register shall, as regards voting, receipt of dividends, service of notices and all or any other matter connected with the State Bank, except the transfer of the shares 5[and right to make nomination], be deemed the sole holder thereof. [**8.**6[***] **Omitted**.			Areas of the various

registers

1Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993) for "whether the shareholder belongs to one of the categories of shareholders referred to in the proviso to section 11 of the Act, and if so, the category to which he belongs"
2 Substituted by Resn. .C.B.S.B.I. Dt. 02-05-2008
3 Omitted by Resn C.B.S.B.I. dt 29-11-1994(w.e.f.15-10-1993) "and the register to which"
4 Omitted by Resn C.B.S.B.I. dt 29-11-1994(w.e.f.15-10-1993) "6.(1) A shareholder resident outside India shall furnish to the State Bank an address in India, and such address shall be entered in the registers and be deemed to be his registered address for the epurposes of the Act and these regulations."
5 Inserted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation. 4), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

6 Omitted by Resn C.B.S.B.I. dt 29-11-1994(w.e.f.15-10-1993) "8. [(1) The Branch Registers kept as the Local Head Office specified in column 1 below shall contain particulars of the shareholders whose registered addresses are within the areas respectively specified in column 2.

	Column 1	**Column 2**
(i)	The Branch Register at the Local Head Office,	The State of Gujarat and the Union Territories of Goa,
	Ahmedabad.	Daman, Diu, Dadra and Nagar Haveli excluding the territory

of Goa.

(ii)	The Branch Register at the Local Head Office,	The State of Karnataka.

Bangalore.

(iii)	The Branch Register at the Local Head Office, Bhopal.	The State of Madhya Pradesh.
(iv)	The Branch Register at the Local Head Office,	The State of Orissa.

Bhubaneswar.

(v)	The Branch Register at the Local Head Office,	The State of Maharashtra and the Union Territories of Goa,
	Bombay.	Daman, and Diu excluding the territories of Daman, Diu,

Dadra and Nagar Haveli.

(vi)	The Branch Register at the Local Head Office,	The State of [….], West Bengal, [….], [……], [……..],
	Calcutta.	[……] and Sikkim and the Union Territory of [……],

[……], the Andaman and Nicobar Islands.

(vii)	The Branch Registers at the Local Head Office,	The State of Haryana (excluding the districts of [Faridabad],
	Chandigarh.	Gurgaon and Sonepat).

Himachal Pradesh, Jammu & Kashmir and Punjab and the
Union Territory of Chandigarh.

(viii)	The Branch Register at the Local Head Office,	The States of Assam, Nagaland, Manipur, Meghalaya, Tripura
(ix)	Gauhati.	and the Union Territories of Mizoram and Arunachal Pradesh
	The Branch Register at the Local Head Office,	The State of Andhra Pradesh.

Hyderabad.

(x)	The Branch Register at the Local Head Office,	The Central Eastern Zones of the State of Uttar Pradesh as
(xi)	Lucknow.	defined in sub-regulation(3).
	The Branch Register at the Local Head Office, Madras.	The States of Kerala. [……..] and Tamil Nadu and the

Union Territories of Pondicherry and Lakshadweep.

(xii)	The Branch Register at the Local Head Office, New	The State of Rajasthan, the Western Zone of the State of Uttar
	Delhi.	Pradesh as defined in sub-regulation (3) and the Districts of

[Faridabad], Gurgaon and Sonepat in the State of Haryana and
the Union Territory of Delhi.

(xiii)	The Branch Register at the Local Head Office, Patna.	The State of Bihar.

(2) Any territories not specified in sub-regulation (1), shall be included in the area of the branch register at the Local Head Office, Bombay.

9.	**Inspection of registers.-** (1) 1[The register] shall, except when closed under the provisions of	Inspection of registers
these regulations, be open to the inspection of any shareholder, free of charge, at the places where they are maintained during business hours, subject to such reasonable restrictions as the State Bank may impose, but so		

that not less than two hours in each working day shall be allowed for inspection.

(2) A shareholder shall not have the right himself to make a copy of any entry in any such register, but may, except when the register is closed, require a copy of any such register or of any part thereof 2[on payment of charges at such rate as may be decided by the Central Board or its Executive Committee from time to time].

10.	**Closing of share registers.-** (1)	The Central Board 3[or its Executive Committee] may	Closing of share registers

close the 4[register] from time to time for such periods, not exceeding four weeks at any one time, as shall, in its opinion, be necessary.	

than two daily newspapers having wide circulation in India.]

6[**11.Form of shares Certificates and manner of its preparation.-** (1) Every share certificate shall be issued in such form as may be specified by the Central Board or its Executive Committee from time to time. Each share certificate shall bear a distinctive number and denoting the number of shares in respect of which it is issued. Every share certificate shall bear the name(s) of the shareholder(s). (2) Every share certificate may be engraved or lithographed or printed as the Central Board or its	Form of shares Certificates and manner of its preparation

Executive Committee may from time to time determine and shall be signed on behalf of the bank by two persons duly authorised by the Bank. Every such signature may either be autographic or may be effected by a mechanical method. No share certificate shall be valid unless and until it is so signed. Share certificates so signed shall be valid and binding notwithstanding that, before the issue thereof, any person whose signature appears thereon may have ceased to be a person authorised to sign share certificates on behalf of the Bank;

Provided that should the share certificate so prepared contain the signature of an authorised person who however is dead at the time of issue of the certificate, the Bank may, by a method considered by it as most suitable, cancel the signature of such a person appearing on the certificate and have the signature of any other authorised person affixed to it. The share certificate so issued shall also be valid.]

12.	**Issue of share certificates free of charge.-** 7[(1)	A shareholder shall be entitled to one	Issue of share certificates free of charge
certificate for each fifty shares or multiples thereof registered in his name on any one occasion and one additional share certificate for the number of shares in excess thereof but less than fifty.] (2) If the number of shares to be registered is less than 8[fifty], one certificate shall be issued for all the			

shares.

9[(3) If any shareholder requires more certificates than the number to which he is entitled under this regulation, the 1[Central Board or its Executive Committee] may have such additional certificates issued, at its 2(***) discretion.]

(3) (a) The Western Zone of the State of Uttar Pradesh shall consist of the following districts of that State, namely, Agra, Aligarh, [……], Bulandshahr, Chamoli, Dehra Dun, [Etah], Garhwal, (Ghaziabad, Manipuri, Mathura, Meerut, Muzaffarnagar, Saharanpur, Tehri, Garhwal and Uttar Kashi).

(b) The Central and Eastern Zones of the States of Uttar Pradesh shall consist of all that part of the State of Uttar Pradesh as has not been included in the Western Zone of that State as defined in Clause (a).]"

1 Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993) for "The principal register or any branch register"

2 Amended by the State Bank of India General (Amendment) Regulations, 2013, (Regulation. 5) with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014, for the words "on pre-payment therefor at the rate of [rupees two] for every hundred words or fractional part thereof required to be copied".

3 Ins. by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993).

4 Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for "principal register or any one or more of the branch registers". 5Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for "10.(2) A notice of the closing of a share register shall be published in the Gazetter of India and also in each of the areas served by the various registers by publication in at least two principal daily newspapers circulating in that area."

6Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for "11.(1) Every share certificate shall be issued under the official seal of the Local Board concerned, and shall specify the number and denoting numbers of the shares in respect of which is issued.

(2) The share certificate in respect of shares issued under sub-paragraph (1), of paragraph 6 of the First Schedule to the Act shall be of a colour distinct from that of the certificates issued in respect of other shares."

7Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for "12.(1) A shareholder shall be entitled to one certificate for each five shares registered in his name of any one occasion, and one additional share certificate for the number of shares in excess of a multiple of five shares."

8Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for "five".

9Subs. by Resn. C.B.S.B.I., dt. 20-11-1964.

(4) In the case of shares held jointly by several persons, delivery of the relative certificate or certificates to one of such joint holders shall be sufficient delivery to all, and a receipt signed by any one of the joint-holders shall effectually bind all the joint holders.

13.	**Renewal of share certificates.-** (1) If any share certificate is worn out or defaced or tendered	Renewal of share certificates
for sub-division, then upon production thereof 3[the Central Board or its Executive Committee, the Central Board or its Executive Committee] may order the same to be canceled, and have a new certificate or certificates		

issued in lieu thereof.

(2) If any share certificate is alleged to be lost or destroyed, then upon production of such evidence of the loss or destruction thereof, as the 4[Central Board or its Executive Committee] may consider satisfactory and upon such indemnity with or without security as 5[Central Board or its Executive Committee] may require, and on payment to the State Bank of its costs, charges and expenses of and incidental to the matter, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

6[(3) ***]

14.	**Warrant for transfer of State Bank shares.-** The warrant issued by the Reserve Bank	Warrant for transfer of State
directing a transfer of shares of the State Bank in pursuance of the provisions of sub-paragraph (2) of paragraph 5 of the First Schedule to the Act shall be in the following form :—		

Bank
shares

[Exempt from stamp duty under paragraph 5(3) of the First Schedule to the State Bank of India Act, 1955]

RESERVE BANK OF INDIA
CENTRAL OFFICE
Bombay - I.

COUNTERFOIL Share Transfer Warrant
No. ..... Dated. .....19 Issued in favour of .....

..... No. of shares ..... Branch Register at ..... Initials.....

SHARE TRANSFER WARRANT (Issued under paragraph 5 of the First Schedule to the State

Bank of India Act, 1955.) No..... Dated 19	Please	transfer	to

..... share (s) of the face value of Rs ..... of the State Bank of India out of the shares standing allotted to the Reserve Bank of India under sub-section (1) of section 5 of State Bank of India Act, 1955. The share(s) may be registered in the name(s) of the transferee(s) on the branch register at .....

For RESERVE BANK OF INDIA

Secretary.

State Bank of India.

Share Transfer Department,
Bombay.

1Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for “Local Board”.

2Deleted by Resn. C.B.S.B.I., dt. 26-2-1987.

3Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for “to the Local Board concerned, such Local Board”. 4Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for “Local Board concerned”.

5Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for “the Local Board”.

6Omiited by Resn. C.B.S.B.I., dt. 20-11-1964.

15.	**Transfer of shares.-** (1)	Without prejudice to the provisions of Regulations 14, every	Transfer of shares
transfer of the shares of the State Bank shall be in writing in the following form or in any usual or common			

form which the State Bank shall approve:

I/We.....of .....in consideration of the sum of rupees ..... paid to me/us by .....of ..... [hereinafter called “transferee(s)”] do hereby transfer to the transferee(s)..... share/shares of the State Bank of India numbered .....and 1[registered in the register]..... to hold unto the transferee(s), his/their executors administrators and assigns, subject to the several conditions contained in the State Bank of India Act, 1955 and the rules and regulations made thereunder, and I/we, the transferee(s), do hereby agree to take the said share/shares subject to the conditions aforesaid and I/we, the transferee(s) request that I/we be 2[registered in respect of the said share or shares in the register].

Transferor.. ..	..	..	..	..	..	..	Name .....

Address .....

Name .....

Witness ..	..	..	..	..	..	..	..	Address .....

Occupation .....

Transferee.. ..	..	..	..	..	..	..	Name .....

Address .....

Witness ..	..	..	..	..	..	..	..	Name .....

Address .....
Occupation .....

(2) The instrument of transfer of any share shall be submitted to the 3[Central Board or its Executive Committee] and shall be signed by the transferor and the transferee, and the transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the share register concerned in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation.

4[(3) Upon receipt by the Central Board or its Executive Committee of an instrument of transfer with the request to register the transferee, the Central Board or its Executive Committee shall, unless it declines registration under Regulation 16 cause the transfer to be registered.]

16.	**Power to refuse or suspend transfers.-** (1) 5[The Central Board or its Executive	Power to refuse or suspend transfers
Committee] may decline to register any transfer of shares unless:-- 6[(a) ***]		

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the State Bank may reasonably require to show the right of the transferor to make the transfer;

(c) it is satisfied after such inquiry as it may consider necessary that the transferee is qualified to be registered as a shareholder of the State Bank in respect of the shares covered by the instrument of transfer, 1[***].

1Subs. by Resn C.B.S.B.I. . dt. 29-11-1994 (w.e.f. 15-10-1993) for "registered in the Branch Register at"..

2Subs. by Resn C.B.S.B.I. . dt. 29-11-1994 (w.e.f. 15-10-1993) for "registered in respect of the said share/shares in the Branch Register at …… (to which the said shares may be transferred). I/we, the transferee(s), do hereby declare that –
(a) I/We do not hold any shares of the State Bank on any Branch Register other than the Branch Register at
……...…….. and
(b) I/We shall not, on registration of this transfer, come to be registered as holder of shares of the State Bank in excess of the maximum number of shares permitted by section 11 of the State Bank of India Act, 1955."
3Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993) for "Local Board concerned".

4Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993) for "(3) Upon receipt by the Local Board of an instrument of transfer with the request to register the transferee, the Local Board shall, unless it declines the registration under Regulation 16, cause the transfer to be registered on the Branch Register under its control, and shall also arrange, if necessary, for the Branch Register to which the shares are to be transferred to be amended accordingly."
5Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993) for "A Local Board".

6Deleted by Resn. C.B.S.B.I., dt. 20-11-1964.

2[(2) ***]
(2) 3[The Central Board or its Executive Committee] may suspend the registration of transfer during any period in which the registers are closed.

4[**16A. Manner of nomination by a shareholder.-** (1) The nomination to be made by every

individual shareholder or the joint holders together where the shares are registered in the name of more than one individual, shall be in Form A set out in Schedule - I to these regulations.	Manner of

nominati

(2) Where the nominee is a minor, the shareholder or as the case may be, all the joint holders together, may furnish the name and address of another person who is not a minor whose name alone shall be registered as the	on by a Sharehol

shareholder in the event of the death of the shareholder or all the joint holders as the case may be, during the minority of the nominee.

(3) The nominee shall be an individual and nomination in favour of a body corporate, trust, society, partnership firm and *Karta* of Hindu Undivided Family shall not be accepted.

(4) The nomination shall stand rescinded upon transfer of shares during the lifetime of the shareholder(s). (5) The shareholder or all the joint shareholders together may cancel or vary the nomination at any time and execute a fresh nomination in favour of any individual as deem fit.

(6) A variation or cancellation of the nomination by an individual shareholder or by all the joint shareholders together shall be in Form B set out in Schedule - I to these regulations.

(7) A cancellation of nomination or variation of nomination may be made as aforesaid at any time during which the shares are held by the person or persons making the cancellation or variation, as the case may be.

(8) Where the shares are held by more than one person jointly, the cancellation or variation of nomination shall not be valid unless it is made by all the shareholders surviving at the time of cancellation or variation of the nomination.

(9) The State Bank shall acknowledge in writing to the concerned shareholder the filing of duly completed form of nomination or cancellation of nomination or variation of nomination, as the case may be.

(10) A nomination or cancellation of nomination or variation of nomination shall be registered by the State Bank in the register kept for the purpose.

(11) Notwithstanding anything contained in these regulations, in respect of any shares held by a person individually or jointly with any other person in a demat account, any valid nomination registered in such demat account as per the relevant provisions shall alone be deemed as a valid nomination in respect of such shares.

Explanation: Any nomination in respect of shares held by a person in physical form shall be deemed to have been cancelled on conversion of such shares into dematerialised form and similarly any nomination in a demat account shall not be valid in respect of shares converted from demat form to physical form.

16B.	**Transmission of shares in case of nomination.-** (1) On the death of the shareholder or on	Transmission of shares in case of nomination
death of all the joint holders, as the case may be, any person who is entitled to the shares by virtue of a valid nomination, upon the production of such evidence as may be required by the Central Board or its Executive Committee and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or		

tion (b) to make transfer of the share as the deceased shareholder could have made.

(2) Any person who is entitled to the share under sub-regulation (1) and elects to be registered as holder of the share shall deliver or send to the State Bank a notice in writing signed by him stating that he so elects and

1Omitted by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) "and that on registration of transfer, the transferee will not be registered on more than one register".

2Sub-regulation (2) deleted and sub-regulation (3) re-numbered as sub-regulation (2) by Resn. C.B.S.B.I., dt. 22-1-1959.

3Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993) for "A Local Board".

4 Inserted by the State Bank of India General (Amendment) Regulations, 2013, with effect from 3rd March, 2014 (Regulation 6), published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

such notice shall be accompanied with the death certificate(s) of the deceased shareholder or joint shareholders, as the case may be.

(3) Upon receipt by the Central Board or its Executive Committee of the notice and other document(s) under sub-regulation (2), the Central Board or its Executive Committee may upon such enquiry and subject to such terms and conditions as it deems appropriate cause the shares to be registered in favour of such person who is entitled to the shares as per the nomination made by the deceased share holder.

(4) All the limitations, restrictions and provisions of these regulations or Act relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder had not occurred and the notice or transfer were signed by that shareholder.

(5) A person, who is entitled to the shares under sub-regulation (1) shall be entitled to the dividend and other advantages as if he were the registered holder of the share except that he shall not, before being registered as a shareholder in respect of his share, be entitled in respect of it to exercise any voting rights in the meetings of the shareholders:

Provided that the Central Board or its Executive Committee may, at any time, give notice requiring

any such person to elect either to be registered himself or to transfer the share, and if the notice is not

complied with within sixty days, the Central Board or its Executive Committee may thereafter withhold

payment of all dividends, bonus or other monies payable in respect of the share, until the requirements of the

notice have been complied with.]

17. (1) 1[***] **Omitted.** 2[(2) ***]		Transfer of name to another branch register
3[**18.**	***] **Omitted.**	
19.	**Transmission of shares in the event of death, insolvency etc, of a shareholder.-**	Transmission of shares in the event of death, insolvency etc, of a shareholder
(1) The executors or administrators of a decreased sole holder of a share, or the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925 in respect of such share, or a person in whose favour a valid instrument of transfer of such share was executed by such person and by the deceased sole holder during the latter's life-time shall be the only persons who may be recognised by the State Bank as having any title to the share of the deceased shareholder. In the case of a share registered in the names of two or more holders, the survivor or survivors and on the death of the last survivor, his executors or administrators		

or any person who is the holder of a succession certificate in respect of such survivor's interest in the share, or a person in whose favour a valid instrument of transfer of the share was executed by such person and such last survivor during the latter's life-time, shall be the only person who may be recognised by the State Bank as having any title to such share. The State Bank shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration or other legal representation as the case may be 4[from a court of competent jurisdiction in India]

Provided nevertheless that in any case where 5[the Central Board or its Executive Committee] shall in its 6(.....) discretion think fit, it shall be lawful for 7[the Central Board or its Executive Committee] to dispense with the production of a succession certificate, letters of administration or such other legal representation upon such terms as to indemnity or otherwise as it may think fit.

1Omitted by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) "17.(1) If a shareholder wishes to have the shares registered in his name on one branch register to be transferred to another branch register, he shall make an application to the Local Board which is in control of the branch register in which the shares to be transferred are entered and that Local Board shall, if it is satisfied, that on the registration of such transfer, the application will not be registered, in more than one register, cause the branch register under its control as well as the branch register to which the shares are to be transferred to be amended accordingly".

2Deleted by Resn. C.B.S.B.I., dt. 20-11-1964.

3Deleted by Resn. C.B.S.B.I., dt. 22-1-1959.

4Subs. by Resn. C.B.S.B.I., dt. 29-11-1994 (w.e.f. 15.10.1993) for "from a duly constituted Court in India having effect at the place where the branch register in which the deceased was registered as a shareholder is kept".

5Subs. by Resn. C.B.S.B.I., dt. 29-11-1994 (w.e.f. 15.10.1993) for “the Local Board concerned”6Deleted by Resn. C.B.S.B.I., dt. 26-2-1987.

7Subs. by Resn. C.B.S.B.I., dt. 29-11-1994 (w.e.f. 15.10.1993) for “such Local Board”.

1[Provided further that nothing contained in this sub-regulation shall affect the right of any person who is entitled to the shares on account of a valid nomination.]

(2) Any such person becoming entitled to a share in consequence of the death of a shareholder and any person becoming entitled to a share in consequence of the insolvency, bankruptcy or liquidation of a shareholder shall upon production of such evidence, as the 2[the Central Board or its Executive Committee] may require, have the right -

(a) to be registered as a share holder in respect of the share upon his satisfying the 3[the Central Board or its Executive Committee] in the same manner as if he were the proposed transferee under regulation 16 that he is qualified to be registered as a shareholder 4(***), or

(b) to make such transfer of the share as the person from whom he derives his title could have made.

20.	**Shareholder ceasing to be qualified for registration.-** (1)	It shall be the duty	Shareholde r ceasing to be qualified for registration
of any person registered as a shareholder, whether alone or jointly with another or others, forthwith upon ceasing to be qualified to be so registered in respect of any share to give intimation thereof to the 5[the Central Board or its Executive Committee]. 6[(2) ***.			

(3) ***.]

7[**20A. Delegation of powers and functions by Central Board or its Executive Committee**.–It shall be competent for the Central Board or its Executive Committee by general or special direction, from time to time to delegate its powers and functions set out in sub-regulation (3) of regulation 12, regulation 13, sub-regulation (3) of regulation 15, sub-regulation (1) of regulation 16, sub-regulation (3) of regulation 16B and sub-regulation (2) of regulation 19 to any officer, company or agency	Delegation of powers and functions by central Board or its Executive Committee.

and it shall also be competent for the Central Board or its Executive Committee to appoint “Registrars to an issue” and “Share transfer agents” as defined in the relevant SEBI regulation on such terms as it may deem fit.]

8[CHAPTER II - A

SAFEGUARDS TO BE PROVIDED IN MAINTAINING THE REGISTER OF SHAREHOLDERS IN COMPUTERS

20B.	**Maintenance of Shares-Register in Computer Systems etc**. **.-** The particulars	Maintenanc e of Shares-Register in Computer Systems
required to be entered in the Share Register under Section 13 read with those mentioned in Chapter II shall be maintained in the form of data stored in magnetic/optical/magneto-optical media by way diskettes, floppies, cartridges or otherwise (hereinafter referred to as the “media”) in computers to be maintained at such location		

etc.

1 Inserted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 7), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

2Subs. by Resn. C.B.S.B.I., dt. 29-11-1994 (w.e.f. 15.10.1993) for “Local Board concerned”..

3Subs. by Resn. C.B.S.B.I., dt. 29-11-1994 (w.e.f. 15.10.1993) for “Local Board”.

4Omitted by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993) “and that, on registration, he will not be registered, on more than one register”.

5Subs. by Resn. C.B.S.B.I., dt. 29-11-1994 (w.e.f. 15.10.1993) for “Local Board concerned”.

6Omitted by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993) “20.(2) A Local Board may at any time cause such enquiries to be made as it shall see fit for the purpose of ascertaining whether any person registered as a shareholder on the branch register under its control (whether alone or jointly with another or others) has ceased to be qualified to be an registered in respect of any share and upon being satisfied that any such person is registered, by inadvertence or otherwise, in respect of any shares held by him whether in his own name or jointly with another person or persons so as to make such total holdings in excess of the total nominal value of twenty thousand rupees it shall determine which of such shares shall be deemed to constitute such excess and shall inform the shareholder or, where such excess ins held jointly, each of the joint shareholders that in accordance with section 11 of the Act, he is, and in the case of joint holders they are, not entitled to the payment of any dividend on any such share nor to exercise any of the rights of a shareholder otherwise than for the purpose of the value of such share and shall make an entry in the register to that effect.

(3) a determination of the Local Board under sub-regulation (2) shall be conclusive.”

7 Substituted by the State Bank of India General (Amendment) Regulations, 2013, with effect from 3rd March, 2014 (Regulation 8), published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.. Regulation prior to its amendment was *“20A. Delegation of powers and functions by central Board or its Executive Committee.- It shall be competent for the Central Board or its Executive Committee by general or special direction, from time to time to delegate its powers and functions set out in sub-regulation (3) of regulation 12, regulation 13, sub-regulation (3) of regulation 15, sub-regulation (1) of regulation 16 and sub-regulation (2) of regulation 19 to any officer, company or agency and it shall also be competent for the Central Board or its Executive Committee to appoint “Registrars to an issue” and “Share transfer agents” as defined respectively in clauses (e) and (g) of rule 2 of the Securities and Exchange Board or India (Registrars to an issue and share transfer agents) Rules, 1993 on such terms as it may deem fit.”* which was ins. by Resn. C.B.S.B.I. , dt. 29-11-1994.(w.e.f. 15-10-1993).

8Ins. by Resn. C.B.S.B.I., dt. 29-11-1994. (w.e.f. 15.10.1994).

as may be decided from time to time by the Chairman or 1[managing director authorised by the chairman] or any other official not below the rank of a Chief General Manager designated in this behalf by the Chairman (hereinafter referred to as "the designated official)".

20C. Safe guards for protection of Computer System.-	(1)	The access to the	Safe guards for protection of Computer System
system set out in Regulation 20B in which data is stored shall be restricted to such persons as may be authorised in this behalf by the Chairman or 2[managing director authorised by the chairman] or the designated official and the passwords if any, and/or the electronic security control systems shall be kept confidential under the custody of the said persons. (2) The access by the authorised persons shall be recorded in logs by the computer system and such logs shall be preserved with the officials/persons designated in this behalf by the Chairman or 3[managing			

director authorised by the chairman] or the designated official.

(3) Copies of the back-ups shall be taken on removable media at intervals as may be specified from time to time by the Chairman or the 4[managing director authorised by the chairman] or the designated official, incorporating the changes made in the register of shareholders. At least one of these copies should be stored in a location other than the premises in which a processing is being done. This copy should be stored in a fire-proof environment with locking arrangement and at the requisite temperature. The access to the back-ups in both the locations shall be restricted to persons authorised in this behalf by the Chairman or 5[managing director authorised by the chairman] or the designated official. The persons so authorised shall record the access in a manual register kept at the location.

(4) It shall be the duty of the authorised persons to compare the data on the back-up with that on the Computer System by using appropriate software to ensure correctness of the back-up. The result of this operation shall be recorded in the register maintained for the purpose.

20D. Powers of the chairman or managing director to provide for other safe guards.- It shall be competent for the chairman or the 6[managing director authorised by the chairman], by special or general order, to add or modify the instructions, stipulations in regard to the safeguards to be observed in maintaining the register of the shareholders in the computer system with due regard to the advances in technology, and/or exigencies of situation or any other relevant consideration.]	Powers of the Chairman or Managing Director to provide for other safe d

CHAPTER III

MEETINGS OF SHAREHOLDERS

21.	**Notice convening a general meeting.-** (1) A notice convening a general meeting of the	Notice convening a general meeting
shareholders signed by the chairman 7[or the managing director authorised by the chairman] shall be published at least twenty-eight days before the meeting in the Gazette of India and also 8[by publication in not		

less than two daily newspapers having wide circulation in India]
(2) Every such notice shall state the time, date and place of such meeting, and also the business that shall be transacted at the meeting.

1 Substituted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 9), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014, for the words "managing director".

2 Substituted by the State Bank of India General (Amendment) Regulations, 2013(Regulation 10), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words "managing director".

3 Substituted by the State Bank of India General (Amendment) Regulations, 2013, with effect from 3rd March, 2014 (Regulation 10), published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words "managing director".

4Substituted by the State Bank of India General (Amendment) Regulations, 2013, with effect from 3rd March, 2014 (Regulation 10), published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words "managing director".

5 Substituted by the State Bank of India General (Amendment) Regulations, 2013, with effect from 3rd March, 2014 (Regulation 10), published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words "managing director".

6Substituted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 11), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words "managing director".

7Substituted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 12), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words "or the vice chairman or in their absence managing director".

8Subs. by Resn. C.B.S.B.I., dt. 29-11-1994 (w.e.f. 15.10.1993) for "in each of the areas served by the various registers by publication in at least two principal daily newspapers circulating in that area".

22.	**Special general meeting.-** (1)	The chairman 1[or in his absence managing director	Special general meeting
authorised by the chairman] shall convene a special general meeting of shareholders, if so directed by the Central Board, or if a requisition for such a meeting has been received either from the 2[Central Government] or from other shareholders holding shares carrying, in the aggregate, not less than 20 per cent of the total			

voting rights of all the shareholders.

(2) The requisition referred to in sub-regulation (1) shall state the purpose for which the special general meeting is required to be convened, but may consist of several documents in like form each signed by one or more of the requisitionists.

(3) The time, date and place of a general meeting shall be decided by the Central Board:

Provided that a special general meeting convened on requisition by the 3 [Central Government] or other shareholders shall be convened not later than three months of the receipt of the requisition.

23.	**Business at general meetings.-** (1) No business other than that specified in sub-section (2)	Business at general meetings
of section 42 of the Act shall be transacted or discussed at the annual general meeting, except with the consent of the chairman, unless not less than six weeks' notice of the same has been given to the chairman either by the 4[Central Government] or by at least ten other shareholders qualified to vote at the meeting. Such notice		

shall take the form of a definite resolution to be put to the meeting, and shall be included in the notice of the meeting.

(2) Except with the consent of the chairman, no business shall be transacted or discussed at any special general meeting, except the business for which the meeting has been specifically convened.

24.	**Quorum at general meetings.-**	5{No business shall be transacted at any meeting of the	Quorum at general meetings
shareholders whether it is the annual general meeting or any special general meeting, unless a quorum of atleast five shareholders consisting of the 6[Central Government] represented by a duly authorised person and four other shareholders entitled to vote at such meeting in person or by proxy or by duly authorised			

representatives is present at the commencement of such business, and if within fifteen minutes from the time appointed for the meeting a quorum is not present the chairman may dissolve the meeting or adjourn it to the same day in the following week at the same time and place, and if at such adjourned meeting a quorum is not present, the shareholders who are present in person or by proxy or by duly authorised representative 7[or by a duly authorised person] shall form a quorum :
Provided that no annual general meeting shall be adjourned to a date later than the date within which such annual general meeting shall be held in terms of the proviso to sub-section (1) of Section 42 of this Act and if adjournment of the meeting to the same day in the following week would have this effect, the annual general meeting shall not be adjourned but the business of the meeting shall be commenced either as soon within one hour from the time appointed for the meetings as a quorum may be present, or immediately after the expiry of one hour from that time and those shareholders who are present in person or by proxy or by duly authorised representative 8[or by duly authorised person] at such time shall form a quorum.}

25.	**Chairman at general meetings.-** 9[(1)The chairman or in his absence, 10[the managing	Chairman at general meetings
director authorised by the chairman] or in their absence, such one of the directors as may generally or in relation to a particular meeting be authorised by the chairman in this behalf, shall be the chairman of the meeting and in the absence of the chairman, 11[the managing director authorised by the chairman] and the		

person so authorised and failing any authorisation the meeting may elect any other director to be the chairman of the meeting.]
(2) The chairman of the general meeting shall regulate the procedure at all general meetings, and , in particular, shall have power to decide the order in which shareholders may address the meeting, to fix a time

1Substituted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 13), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words "or in his absence Vice-Chairman or in their absence Managing Director".

2Subs. by Resn. C.B.S.B.I. dt. 02-05-2008 for "Reserve Bank".

3Subs. by Resn. C.B.S.B.I. dt. 02-05-2008 for "Reserve Bank".

4Subs. by Resn. C.B.S.B.I. dt. 02-05-2008 for "Reserve Bank".

6Subs. by Resn. C.B.S.B.I. dt. 02-05-2008 for "Reserve Bank".

7 Ins. by Resn. C.B.S.B.I. dt. 02-05-2008
8Ins. by Resn. C.B.S.B.I. dt. 02-05-2008.

9Subs. by Resn. C.B.S.B.I., dt. 29-11-1994. (w.e.f. 15.10.1993) for "25. (1) The Chairman or in his absence the Vice-Chairman shall be the Chairman at all general meetings, and if neither the Chairman nor the Vice-Chairman is present, the meeting may elect any other director, other than a Managing Director, to be the Chairman of the meeting.".

10Substituted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 14), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words "the vice-chairman".

11Substituted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 14), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words "the vice-chairman".

limit for speeches, to apply the closure when, in his opinion, any matter has been sufficiently discussed and to adjourn the meeting.

26.	**Persons entitled to attend general meetings.-** (1) All director, members of Local	Persons entitled to attend general meetings
Boards or of any Local Committee and all shareholders of the State Bank shall, subject to the provisions of sub-regulation (2), be entitled to attend a general meeting. (2) A shareholder, not being the 1[Central Government], a director or a member of a Local Board or of a Local Committee, attending a general meeting shall, for the purpose of identification and to determine his voting rights, be required to sign and deliver to the State Bank a form to be specified by the chairman 2[authenticated or attested by a person authorised by him in this behalf and] containing the following		

particulars:

(a) his full name and registered address;

(b) 3[the denoting number of his shares;]

(c) whether he is entitled to vote and the number of votes to which he is entitled in person or as proxy or as a duly authorised representative.

(3) 4(***)

27.	**Voting at general meetings.-** (1)	Save as otherwise provided in section 24 of the Act,	Voting at general meetings
every matter submitted to a general meeting shall be decided by a majority of votes. (2) A declaration by the chairman of a general meeting that a resolution has been carried or rejected			

thereat upon a show of hands by those shareholders present who are entitled to vote on the resolution shall be conclusive, and an entry to that effect in the book of proceedings of the State Bank shall be sufficient evidence of that fact, without proof of the number or proportion of the votes recorded in favour of, or against, such resolution, unless immediately on such declaration a poll be demanded in writing on behalf of the 4Central Government or by at least four other shareholders present and entitled to vote at the meeting.

(3) If a poll be duly demanded, it shall be taken either at once or at such time and place and either by open voting or by ballot as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. At such, poll, voting shall be either in person or by proxy or by duly authorised representative, and the shareholders shall exercise the voting rights referred to in regulation 31.

(4) The decision of the chairman of the meeting as to the qualification of any person to vote, and also in the case of a poll, as to number of votes any person is competent to exercise shall be final.

28.	**Minutes of general meetings.-** (1)	The State Bank shall cause the minutes of all	Minutes of general meetings
proceedings of general meetings to be entered in books kept for that purpose. (2) Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings			

were held, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings held thereat to have been duly held.

5[**29**. ***] **Omitted.**	Local meetings

1Subs. by Resn. C.B.S.B.I. dt. 02-05-2008 for “Reserve Bank”.

2Ins. by Resn. C.B.S.B.I., dt. 29-11-1994. (w.e.f. 15.10.1993).

3Subs.by Resn. C.B.S.B.I., dt. 29-11-1994. (w.e.f. 15.10.1993) for “26.(2)(b) the denoting numbers of his shares and the branch register on which these are entered”.

4Omitted by Resn. C.B.S.B.I., dt. 29-11-1994 (w.e.f. 15.10.1993) “26(3) when a general meeting is held at a Local Head Office, other than the place at which the branch register in which the shareholder attending the meeting is registered, is kept, he shall have the particulars in the said

form certified as correct by the Secretary of the Local Board at the place at which the branch register in which he is registered, is kept. Such certificates may be obtained on application in person or in writing over the shareholder’s signature at any time after the date of the meeting has been published”.

5Omitted by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993). “29.(1) A meeting of the shareholders on a branch register to be called “a local meeting” may be held at the Local Head Office of the State Bank at which the concerned branch register is kept. Such meeting shall be convened by the Chairman at the instance of the Central Board, or on a requisition being received therefor from either the Reserve Bank or other shareholders holding, in the aggregate, not less than 25 per cent of the voting rights held by all shareholders whose names are entered on the concerned branch register.

(2) A notice convening a local meeting signed by the Chairman or the Vice-Chairman shall be published at least four weeks before the meeting in the Gazette of India and in at least two newspapers circulating in the area served by the branch register kept at the place where the meeting is to be held.

CHAPTER IV

VOTING RIGHTS OF SHAREHOLDERS

Definition

[30.	***]1 **Omitted.**	Determination of voting rights.
31.	**Determination of voting rights.-** (1) Subject to the provisions contained in section 11 of the	
Act, each shareholder who has been registered as a shareholder for a period of not less than three months prior to the date of a general meeting shall, at such meeting, have one vote for each 2[fifty] shares held by him 3[or it]. (2) Every shareholder 4[other than the Central Government] entitled to vote as aforesaid who, not being a		

company is present in person or by proxy or who being a company is present by a duly authorised representative, or by proxy shall have one vote on a show of hands and in case of a poll shall have one vote for each 5[fifty] shares held by him 6[or it] for the whole period of three months prior to the date of such meeting.

7[(3) The duly authorized person representing the Central Government shall have one vote on a show of hands and, in case of a poll, shall have one vote for each fifty shares held by it for the whole period of three months prior to the date of such meeting.]

32.	**Voting by duly authorised representative.-** (1)	A shareholder, being a company, may	Voting by duly authorised representative
by a resolution authorise any of its officials or any other person to act as its representative at any general meeting of the shareholders and the person so authorised (referred to as "duly authorised representative" in these regulations) shall be entitled to exercise the same powers on behalf of the company which he represents, as if he were an individual shareholder of the State Bank. The authorisation so given may be in favour of two persons in the alternative and in such a case any one of such persons may act as the duly authorised			

representative of the company.

(2) A person acting in pursuance of an authorisation given under this regulation shall not be deemed to be a proxy.

(3) No person may attend or vote at any meeting of shareholders of the State Bank as a duly authorised representative of a company unless a copy of the resolution appointing him as a duly authorised representative certified to be a true copy by the chairman of the meeting at which it was passed shall have been deposited 8[at the Central Office or, as the case may be, the local head office] at the place where the meeting is to be held not less than 4 clear days before the date fixed for the meeting.

(4) An appointment of a duly authorised representative shall, after the deposit of a certified copy of the resolution as aforesaid, be irrevocable for the meeting for which it is made and shall revoke any proxy previously deposited for such meeting by the company.

9(5) The Central Government may authorise any person to act as its representative at any general meeting of the shareholders and the person so authorised (referred to as "duly authorised person" in these regulations) shall be entitled to exercise the same powers on behalf of Central Government, as if he were an individual

(3) In addition to the shareholders whose names are entered on the branch register concerned, all members of the Local Board of the area of that register, the members of a Local Committee, if any, established in that area, and all directors ordinarily resident in that area shall be entitled to attend a local meeting.

(4) The Chairman, or, in his absence, the Vice-Chairman or other directors authorized byt eh Chairman in this behalf shall be the Chairman of the local meeting, and if the Chairman and the Vice-Chairman are unable to attend the meeting for any reason, and there is also no authorization by the Chairman in favour of any other director, the local meeting may elect any shareholder present to be the Chairman of the meeting.

(5) Subject to the provisions contained in this regulation, the provisions of this Chapter and of Chapter IV shall, so far as may be, apply to local meetings of the shareholders on a branch register as they apply to general meetings.

Provided that references in the said provisions to shareholders shall be deemed to be references to shareholders on the branch

register." 1Omitted the words "30. Definition.-	In these regulations "company" means a body corporate either incorporated under the Indian

Companies Act, 1913, or any other law for the time being in force, and unless there is anything repugnant in the subject or context, includes (***) a Co-operative Society." by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 15), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

2Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for "five".

3 Ins. by Resn. C.B.S.B.I. dt. 02-05-2008.

4 Ins. by Resn. C.B.S.B.I. dt. 02-05-2008.

5Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for "five".

6Ins. by Resn. C.B.S.B.I. dt. 02-05-2008.

7 Ins. by Resn. C.B.S.B.I. dt. 02-05-2008.

8 Subs. by Resn. C.B.S.B.I. dt. 02-05-2008 for "at the Local Head Office".

9 Ins. by Resn. C.B.S.B.I. dt. 02-05-2008

shareholder of the State Bank. The authorisation so given may be in favour of two persons in the alternative and in such a case any one of such persons may act as the duly authorised person of the Central Government. Any authorisation given under this sub-regulation shall be informed in writing to the Central Office of State Bank not less than 4 clear days before the date fixed for the meeting and shall, thereafter, be irrevocable for the meeting for which it is made.

33.	**Voting by duly authorised representative precludes voting by proxy.-** No	Voting by duly authorised representa tive precludes
shareholder, being a company, shall vote by proxy so long as resolution of its directors under regulation 32 authorising any of its officials or any other person to act as its duly authorised representative at any general meeting shall be in force.		

voting by
proxy.

34.	**Proxies.-** (1) No instrument of proxy shall be valid unless in the case of an individual	Proxies
shareholder it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholder first named in the 1(register) or his attorney duly authorised in writing or in the		

case of a company it is executed under its common seal, if any, or signed by its attorney duly authorised in writing:
Provided that an instrument of proxy shall be sufficiently signed by any shareholder, who is for any reason, unable to write his name, if his mark is affixed thereto and

attested by a Judge, Magistrate, Justice of the Peace, Registrar or Sub-Registrar of Assurances, or other Government Gazetted Officer or 2[an officer of the State Bank] .

(2) No person shall be appointed as proxy unless he is entitled to attend the general meeting otherwise than as a proxy, provided that this sub-regulation shall not apply to proxy appointed by a company. 3[(3) No proxy shall be valid unless it is duly stamped and unless, it together with the power of attorney or other authority (if any) under which it is signed, or a copy of that power or authority certified by a notary public or a magistrate, is deposited with the Central Office or other office designated from time to time by the chairman or managing director in this behalf, not less than seven clear days before the date fixed for the meeting.]

(4) No instrument of proxy shall be valid unless it is in the following form and dated, namely:─

STATE BANK OF INDIA

I/We .....of .....being (a) shareholder(s) of the State Bank of India holding shares Nos .....on the 4(register) at ..... do hereby appoint ..... of ..... (or failing him ..... of .....) as may/our proxy to vote for me/us and my/our behalf at a meeting of the shareholders of the State Bank to be held at ..... on the ..... day of ..... and at any adjournment thereof.

Dated this ..... day of .....

(5) An instrument of proxy so deposited shall be irrevocable -

(i) unless on or before the last day for the deposit of proxies there shall have been deposited at the local head office of the State Bank where the meeting is to be held a notice in writing under the hand or common seal of the grantor specifically stating -

(a) the name of the person in whose favour the instrument was granted; and

(b) that such instrument is revoked; or

(ii) unless the same is deemed to be invalid under sub-regulation (6).

In the case of an instrument of proxy granted in favour of two grantees in the alternative, it shall not be necessary to mention in the notice of revocation the name of the second or alternative grantee provided that

1 Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for “branch register”.

2Substituted by the State Bank of India General (Amendment) Regulations, 2013 9regulation 16), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 for the words “an Officer of or the State Bank”. 3 Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for “(3) No proxy shall be valid unless it is duly stamped and unless it, together with the power of attorney or other authority (if any) under which it is signed, or a copy of the power or authority certified by a notary public or a magistrate or in case a power of attorney which is previously deposited and registered with any Local Head Office, certified by the Secretary to the Local Board at that Head Office, is deposited at the Local Head Office in the place where the meeting is to be held not less than 7 clear days before the date fixed for the meeting.”
4Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for “branch register”.

the notice is otherwise sufficient to identify beyond doubt the instrument of proxy which it is intended to revoke.

(6) If two or more instruments of proxy in respect of the same shares shall be deposited and if on or before the last day for deposit of proxies all but one of such instruments of proxy shall not have been duly revoked in accordance with the procedure laid down in sub-regulation (5) all such instruments of proxy shall be deemed invalid.

(7) The due revocation of an instrument of proxy shall in no way prohibit the deposit of another valid instrument of proxy within the time specified in sub-regulation (3).

(8) The grantor of an instrument of proxy which has become irrevocable under this regulation shall not be entitled to vote in person at the meeting to which such instrument relates.

35.	**Appointment of an employee of the State Bank as duly authorised**	Appointment of an employee of the State Bank as duly authorised representative of
representative of proxy invalid.-	No person may be appointed a duly authorised representative or	
a proxy who is an officer or an employee of the State Bank.		

proxy invalid

CHAPTER V

1(ELECTION OF DIRECTORS)

Determination
by lot of

{**36.** 2[*** **Omitted**]	Directors and members of Local Boards

to retire

3[**37. Directors to be elected at General Meeting.-** (1) The election of a Director by the shareholders on the register shall take place, (except as otherwise provided in the Regulation 40) at general meeting of such shareholders.	Directors to be elected at General Meeting

(2) Where an election of a director is to be held at any general meeting the notice thereof shall be included in the notice convening the meeting. Every such notice shall specify the number of directors to be elected and the particular vacancies in respect of which the election is to be held.]}

4[**38. List of Share- holders.-** (1) For the purpose of election of a director under clause (c) of

Section 19, a list shall be prepared of shareholders entered in the register by whom the director is to be elected.	List of Share-holders

1Subs. by Resn. C.B.S.B.I. , dt. 29-11-1994. (w.e.f. 15-10-1993) for "ELECTION OF DIRECTORS AND MEMBERS OF LOCAL BOARDS".

2Omitted by the State Bank of India General (Amendment) Regulations, 2013 (regulation 17), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014. The omitted regulation was : "36. **Determination by lot of Directors and members of Local Boards to retire**.- The determination by lot of the directors or members to retire under sub-section (5) of section 20 of the Act or under the proviso to sub-section (1) of section 21A of the Act shall be made at a meeting of the Central Board or the Local Board concerned, as the case may be, to be held not later than three months before the expiry of each successive period of one year specified in section 20 of the Act and of one year specified in section 21A of the Act and the result shall be declared immediately thereafter."

3Subs. by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) for "37.(1) The election of a director by the shareholders on the principal register shall take place, (except as otherwise provided in regulation 40, at a general meeting of such shareholders and the election of a members of a Local Board by the shareholders on any branch register shall take place, (except as otherwise provided in regulation 40), at a local meeting of such shareholders.

(2) Where an election of a director or a member of a Local Board is to be held at any general meeting or any local meeting, as the case may be, the notice thereof shall be included in the notice convening the meeting. Every such notice shall specify the number of directors or members of Local Board to be elected and the particular vacancies in respect of which the election is to be held.".

4Subs. by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) for "38.(1) For the purpose of election of a director under clause (c) of sub-section (1) of sub-section 19, a list shall be prepared of shareholders entered in the principal register by whom the director is to be elected.

(2) For the purpose of election of member of a Local Board under clause (d) of of sub-section (1) of section 21, a list shall be prepared of shareholders entered in the branch register by whom the member is to be elected.

(3) Each such list as is referred to in sub-regulations (1) and (2) shall contain the names of the shareholders, their registered addresses, the number and denoting numbers of shares held by them with the dates on which the shares were registered and the number of votes to which they will be entitled on the date fixed for the meeting at which the election will take place and copies of such lists shall be available for purchase at least three weeks before the date fixed for the meeting at a price of one rupee per copy, on application at the Central Office or, as the case may be, at the Local Head Office in which the meeting is to be held."

(2) The list referred to in sub-regulation (1) shall contain the names of the shareholders, their registered addresses, the number and denoting numbers of shares held by them with the dates on which the shares were registered and the number of votes to which they will be entitled on the date fixed for the meeting at which the election will take place and copies of list shall be available for purchase at least three weeks before the date fixed for the meeting at a price as may be decided by the Central Board or its Executive Committee from time to time, on application at the Central Office.]

39.	**Nomination of candidates for election.-** (1)	No candidate for election as a director	Nomination of candidates for election
1(***) shall be validly nominated unless – (a) he is, on the last date for receipt of nominations, not disqualified to be a director 2(***) under			

section 22 of the Act;

(b) the nomination is in writing signed by at least two shareholders qualified to vote, 3(***), or by their duly constituted attorneys, provided that a nomination by the shareholder who is a body corporate may be made by a resolution of the directors of the said body corporate and where it is so made, a copy of the resolution certified to be a true copy by the chairman of the meeting at which it was passed shall be dispatched to 4[the central office] 5(***) and such copy shall be deemed to be a nomination on behalf of such body corporate;

(c) the nomination paper contains a declaration signed by the candidate before a Judge, Magistrate, Justice of the Peace, Registrar, or Sub-Registrar of Assurances or other Government Gazetted Officer or an Officer of 6[***] the State Bank, that he accepts the nomination, and is willing to stand for election, and that he is not disqualified for election under section 22.

(2) No nomination shall be valid unless it is received, with all the connected documents or papers, in 7[the central office] 8(***) on a working day, not less than 14 clear days before the date fixed for the meeting.

9[**40. Publication of list of candidates**.– **.-** (1) In the case of election of a director, on the first

working day following the last date fixed for the receipt of nominations, the managing director authorised by

the chairman, shall after such enquiry, as he thinks necessary, satisfy himself in regard to the provisions of

regulation 39, and shall accept or reject the nomination of each candidate as may appear to him to be justified,

and, in the case of rejection shall briefly record his reasons for so doing.

(2) The decision of the managing director authorised by the chairman that a nomination is valid or invalid shall subject to the result of any reference under regulation 42 be final.

1Omitted by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) "or a member of a Local Board" .

2Omitted by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) "or a member of a Local Board, as the case may be".

3Omitted by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) "whose names are entered on [the principal register or] the branch register from which the Director or the Local Board Member as the case may be, is to be elected".

4Ins. by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 20-11-1964).

5Omitted by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) "or as the case may be, the Local Head Office of the State Bank in which the meeting at which the election will take place is to be held"..

6Omitted by Resn.C.B.S.B.I. dt. 02-05-2008 “the Reserve Bank or”.

7Ins. by Resn. C.B.S.B.I. , dt. 20-11-1964.

8Omitted by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) “or as the case may be, the Local Head Office of the State Bank in which the meeting is to be held”.

9Substituted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 40), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014..The regulation, before its amendment was: *“ 40.*

Publication of list of candidates.- (1) [On the first working day following the last date fixed for the receipt of nominations, the same shall be taken into consideration by the Managing Director in the case of election of a Director; and the Managing Director] shall after such enquiry, if any, as he thinks necessary, satisfy himself in regard to the provisions of regulation 39, and shall accept or reject the nomination of each candidate as may appear to him to be justified, and, in the case of rejection shall briefly record his reasons for so doing. The decision of the Managing Director (***) that a nomination is valid or invalid shall subject to the result of any reference under regulation 42, be final. If there is only one valid nomination for any particular vacancy to be filled by election, the candidate validly nominated for such vacancy [shall be deemed to be elected forth with] and his name and address shall be published as so elected. [In such an event there shall not be any election at the meeting convened for the purpose and if the meeting had been called solely for the purpose of the aforesaid election, it shall stand cancelled.] If the number of valid nominations for any particular vacancy exceeds one, the Managing Director (***) shall cause to be published the names and addresses of candidates validly nominated for such vacancy.

{(2) All notices in pursuance of sub-regulation (1) shall be published in the Gazette of India and in not less than two newspapers having wide circulation in India.

(3) The Managing Director shall send a copy of every such notice issued by him to the Chairman or in his absence to the Vice-Chairman forthwith.}”

(3) If there is only one valid nomination for any particular vacancy to be filled by election, the candidate validly nominated for such vacancy shall be deemed to be elected forth with and his name and address shall be published as so elected and in such an event there shall not be any election at the meeting convened for the purpose and if the meeting had been called solely for the purpose of the aforesaid election, it shall stand cancelled.

(4) If the number of valid nominations for any particular vacancy exceeds one, the managing director authorised by the chairman shall cause to be published the names and addresses of candidates validly nominated for such vacancy and in such an event there shall be an election by ballot and not by show of hands at the meeting convened for the purpose.

(5) All notices in pursuance of sub-regulation (3) and (4) shall be published in the Gazette of India and in not less than two newspapers having wide circulation in India.

(6) The managing director authorised by the chairman shall send a copy of every such notice issued by him to the chairman.]

41.	**Assumption of office by the elected candidate.-** A Director 1(***) elected to fill an		Assumption of office by
existing vacancy shall be deemed to have assumed office from the date following that on which he is, or is deemed to be, elected.			the elected
42.	**Election disputes.-** (1)	If any doubt or dispute shall arise as to the qualification or	candidate Election disputes
disqualification of a person deemed, or declared to be elected, or as to the validity of the election of a director 2(***) any person interested, being a candidate or shareholder entitled to vote at such election, may, within			

seven days of the date of the declaration of the result of such election, give intimation in writing thereof to the chairman 3[***] and shall in the said intimation give full particulars of the grounds upon which he doubts or disputes the validity of the election.

(2) On receipt of an intimation under sub-regulation (1), the chairman 4[***] shall forthwith refer such doubt or dispute for the decision of a committee consisting of himself; and the directors nominated pursuant to clauses (e) and (f) 5(***) of section 19 of the Act.

(3) Such committee shall make such enquiry as it deems necessary and if it finds that the election was a valid election, it shall confirm the declared result of the election or, if it finds that the election was not a valid election, it shall make such order and give such directions including the holding of a fresh election as shall in the circumstances appear just to the committee.

(4) An order and direction of such committee in pursuance of this regulation shall be conclusive.

CHAPTER VI

CENTRAL BOARD AND ITS EXECUTIVE COMMITTEE

Allocation of

6[**43**.	***]**Omitted.**	elected directors to various areas
1[**44.**	**Meetings of the Central Board**. **.-** – (1) Meetings of the Central Board shall be convened	Meeting s of the

Central
Board

1Omitted by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) “or a member of a Local Board”.

2Omitted by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) “or member of a Local Board”..

3Omitted the words “or to the vice-chairman” by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 19), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

4Omitted the words “or to the vice-chairman” by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 19), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

5Omitted by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) “of sub-section (1)”.

6Deleted by Resn. C.B.S.B.I. , dt. 20-11-1964.

by the chairman or in his absence, by the managing director authorised by the chairman at least six times in each year and at least once in each quarter.

(2) Any three directors may require the chairman to convene a meeting of the Central Board at any time, and the chairman shall, on receipt of the requisition, convene a meeting of the Central Board giving sufficient notice, provided that the date of the meeting so convened shall not be later than 21 days from the date of receipt of the requisition.

(3) Meetings of the Central Board shall be held at the Central Office of the State Bank, or at such other place as the chairman, or in his absence, the managing director authorised by the chairman may decide.

(4) Ordinarily not less than 15 days’ notice shall be given of each meeting of the Central Board, and such notice shall be sent to every director at his registered address and if it is found necessary to convene an emergency meeting, sufficient notice shall be given to every director in India to enable him to attend.

(5) No business other than that for which the meeting was convened shall be discussed at a meeting of the Central Board except with the consent of the chairman and a majority of the directors present unless one weeks’ notice has been given of the same in writing to the chairman.

(6) Five directors of whom not less than three shall be the directors elected under clause (c) of section 19 of the Act or nominated under clause (d) of the said section shall form a quorum for the transaction of business.

(7) A copy of the proceedings of each Central Board meeting shall be circulated as soon as possible thereafter for the information of the directors, and shall be signed by the chairman of that or the next succeeding meeting.]

Participation

2[**44A. Participation of the directors in the meeting of the Central Board through videoconferencing or other electronic means.-** Participation of a director in a meeting of the Central Board through videoconferencing shall be valid only if such participation is made from any office of the State Bank specified by the Central Board.]	of the directors in the meeting of the Central Board through videoconferencing or other

electronic
means.

45.	**Resolution without meeting of Central Board valid.-** (1) A	resolution	in	writing	Resolution without meeting of Central Board valid
signed by a majority of the directors of the Central Board shall be valid and effectual, and shall be deemed to be the resolution passed by the Central Board on the date on which it is signed by the last signatory to the resolution :					

Provided that if any dissenting director in writing requires that any resolution so passed shall be placed before a meeting of the Central Board, the resolution shall not be deemed to be valid and effectual, as aforesaid, unless the same is passed at such meeting.

1Substituted by the State Bank of India General (Amendment) Regulations, 2013, with effect from 3rd March, 2014 (Regulation 20), published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014. The regulation prior to its amendment was: *“44.*

Meetings of the Central Board.- (1) Meetings of the Central Board shall be convened by the Chairman or, in his absence, by the Vice-Chairman [or in their absence by the Managing Director] at least six times in each year and at least once in each quarter.

(2) Any three directors may require the Chairman to convene a meeting of the Central Board at any time, and the Chairman shall, on receipt of the requisition, convene a meeting of the Central Board giving sufficient notice, provided that the date of the meeting so convened shall not be later than 21 days from the date of receipt of the requisition.

(3) Meetings of the Central Board shall be held at the Central Office of the State Bank, or at such other place as the Chairman, or in his absence, the Vice-Chairman [or in their absence the Managing Director] may decide.

(4) Ordinarily not less than 15 days’ notice shall be given of each meeting of the Central Board, and such notice shall be sent to every director at his registered address. Should it be found necessary to convene an emergency meeting, sufficient notice shall be given to every director in India to enable him to attend.

(5) No business other than that for which the meeting was convened shall be discussed at a meeting of the Central Board except with the consent of the Chairman and a majority of the directors present unless one weeks’ notice has been given of the same in writing to the Chairman.

[(6) Five Directors, of whom not less than three shall be Directors holding office by virtue of clause (bb) of section 19 or elected under clause (c) of that section or nominated under clause (d) of the said section shall form a quorum for the transaction of business.] (7) A copy of the proceedings of each Central Board meeting shall be circulated as soon as possible thereafter for the information of the directors, and shall be signed by the Chairman of that or the next succeeding meeting.”

2Inserted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 21), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

(2) Nothing in sub-regulation (1) shall apply to a resolution in respect of any matter relating to the making of advances or discounting of bills by the State Bank.

46.	**Constitution and powers of the Executive Committee.-** 1[(1)	There shall be an	Constitution and powers of the

Executive Committee of the Central Board consisting of the chairman, 2[***] the managing directors, if any, the director nominated under clause (f) of section 19 of the Act and all or any of the other directors who are	Executive Committee

normally residents, or may, for the time being, be present at any place within India where the meeting is held.]

(2) Subject to the other provisions of these regulations and to such general or special directions as the Central Board may give from time to time, the Executive Committee may deal with any matter within the competence of the Central Board.

47.	**Meetings of the Executive Committee.-**	(1) Meetings of the Executive Committee shall	Meetings of the Executive Committee
be held weekly, sufficient notice being given to the directors on the Executive Committee to attend the meeting.			

3[(2) Four directors of whom not less than two shall be the directors elected under clause (c) of section 19 of the Act or nominated under clause (d) of the said section shall form a quorum for transaction of business:

Provided that where, by reason of the provisions of sub-section (4) read with sub-section (3) of section 31 of the Act, any director is unable to be present and vote at a meeting of the Executive Committee, or while some particular business is being transacted by the Executive Committee, and in consequence thereof the number of directors present and eligible to vote is less than four, the quorum for such meeting or, as the case may be, for the transaction of that business shall be three of whom one shall be a director elected under clause (c) of section 19 of the Act or nominated under clause (d)of the said section.]

(3) The minutes of every meeting of the Executive Committee shall be laid before the Central Board as soon as possible after the meeting of the Executive Committee.

(4) The provisions of the Act and, save as otherwise provided in this regulation, of these regulations shall apply to the meetings of the Executive Committee as if they were meetings of the Central Board.

4[5{CHAPTER VI A.

JURISDICTION OF LOCAL HEAD OFFICES}

47A. Jurisdiction of local head offices.. – (1) Local head offices specified in column (2) of the Table below shall have jurisdiction over the branches falling within the territorial areas respectively specified in column (3). 1[TABLE	Jurisdiction of local head offices

1Subs. by Res n. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993) for "46.(1) There shall be an Executive Committee of the Central Board consisting of the Chairman, Vice-Chairman, the Managing Directors, if any, the director nominated under clause (f) of sub-section (1) of section 19 of the Act and all or any of the other directors who are normally resident, or may, for the time being, be present, at any place within India in the area of the branch register within which area the meeting is held."

2Omitted the words "vice-chairman" by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 22), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

3Substituted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 23), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014. The sub-regulation before its amendment was: *"(2) Four directors, of whom not less than two are directors [holding office by virtue of clause (bb)] (***) of section 19 of the Act [or elected under clause (c)] or nominated under clause (d) (of that section) shall form a quorum for the transaction of business: [Provided that where, by reason of the provisions of sub-regulation (4) read with sub-section (3) of section 31 of the Act, any director is unable to be present and vote at a meeting of the Executive Committee, or while some particular business is being transacted by the Executive Committee, and in consequence thereof the number of directors present and eligible to vote is less than four, the quorum for such meeting or, as the case may be, for the transaction of that business shall be three of whom one shall be a director 3(holding office by virtue of clause (bb) or) elected under clause (c) or nominated under clause (d)(***) of section 19 of Act.]"*

4Ins. by Resn. C.B.S.B.I. , dt. 29-11-1994 (w.e.f. 15-10-1993).

5Subs.by Resn. C.B.S.B.I., dt.27.12.2000(w.e.f.25.11.2000)(Published in Gazette of India February 3,2001 Part III Sec 4, Page.788).

(1)	(2)	(3)
Sl. No.	Local head office	Territorial Areas
1.	Ahmedabad	The State of Gujarat and the Union territories of Daman and Diu and Dadra and Nagar Haveli.
2.	Amaravati	The State of Andhra Pradesh and Yanam under the Union territory of Puducherry.
3.	Bengaluru	The State of Karnataka.
4.	Bhopal	The State of Madhya Pradesh and Chattisgarh.
5.	Bhubaneshwar	The State of Odisha.

6.	Chandigarh	The States of Haryana (excluding the Districts of Faridabad, Gurgaon and Sonepat), Himachal Pradesh, Jammu and Kashmir and Punjab and the Union territory of Chandigarh.
7.	Chennai	The State of Tamil Nadu and the Union territory of Puducherry (excluding Mahe and Yanam).
8.	Guwahati	The States of Assam, Nagaland, Manipur, Meghalaya, Tripura, Mizoram and Arunachal Pradesh.
9.	Hyderabad	The State of Telengana.
10.	Jaipur	The State of Rajasthan.
11.	Kolkata	The States of West Bengal and Sikkim and the Union territory of the Andaman and Nicobar Islands.
12.	Lucknow	The Central and Eastern Zones of the State of Uttar Pradesh as specified in clause (a) of sub-regulation (2).
13.	Mumbai	The States of Maharashtra and Goa.
14.	New Delhi	The State of and Uttarakhand, the Western Zone of the State of Uttar Pradesh as specified in clause (b) of sub-regulation (2), the districts of Faridabad, Gurgaon and Sonepat in the State of Haryana and the National Capital Territory of

1Substituted by the State Bank of India General (Amendment) Regulations, 2017 (Regulation 2), with effect from 24th April, 2017,

published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.08.07.2017. The Table before its amendment was :

"Table

(1)	*(2)*
Sl. No.	*Local head office*
1.	*Ahmedabad*
2.	*Bangalore*
3.	*Bhopal*
4.	*Bhubaneshwar*
5.	*Chandigarh*
6.	*Chennai*
7.	*Guwahati*
8.	*Hyderabad*
9.	*Kolkata*
10.	*Lucknow*
11.	*Mumbai*
12.	*New Delhi*
13.	*Patna*
14.	*Thiruvananthapuram*

(3)
Territorial Areas
The State of Gujarat and *the Union territories of Daman and Diu and Dadra and Nagar Haveli.*
The State of Karnataka.
The State of Madhya Pradesh and Chattisgarh.
The State of Odisha.

The States of Haryana (excluding the Districts of Faridabad, Gurgaon and Sonepat), Himachal Pradesh, Jammu and Kashmir and Punjab and the Union territory of Chandigarh.
The State of Tamil Nadu and the Union territory of Puducherry (excluding Mahe and Yanam).
The States of Assam, Nagaland, Manipur, Meghalaya, Tripura, Mizoram and Arunachal Pradesh.
The State of Andhra Pradesh and Yanam under the Union territory of Puducherry.
The States of West Bengal and Sikkim and the Union territory of the Andaman and Nicobar Islands.
The Central and Eastern Zones of the State of Uttar Pradesh as specified in clause (a) of sub-regulation (2).
The States of Maharashtra and Goa.
The States of Rajasthan and Uttarakhand, the Western Zone of the State of Uttar Pradesh as specified in clause (b) of sub-regulation (2), the districts of Faridabad, Gurgaon and Sonepat in the State of Haryana and the National Capital Territory of Delhi.
The States of Bihar and Jharkhand.
The State of Kerala, the Union territory of Lakshadweep and Mahe in the Union territory of Puducherry."

15.	Patna
16.	Thiruvananthapuram

Delhi.
The States of Bihar and Jharkhand.
The State of Kerala, the Union territory of Lakshadweep and Mahe in the Union territory of Puducherry.]

(2)	(a)	The Central and Eastern Zones of the State of Uttar Pradesh shall consist of all that part of

the State of Uttar Pradesh as has not been included in the Western Zone of that State as defined in clause (b) below.

(b) The Western Zone of the State of Uttar Pradesh shall consist of the following districts of that State, namely, Agra, Aligarh, Bulandshahar, Etah, Ghaziabad, Mainpuri, Mathura, Meerut, Muzaffar Nagar, Saharanpur, Firozabad, Hathras, Baghpat and Gautam Budhnagar.]

47B.	**Exclusion of jurisdiction of local head office.-**	Notwithstanding anything contained	Exclusion of jurisdiction of Local Head office.
in regulation 47A, the Central Board may specify that, on consideration of volume or special nature of business or on any other relevant consideration, a branch or branches or business unit or units situated in the area falling within the jurisdiction of a local head office may be excluded from the jurisdiction of that office			

and shall be under the jurisdiction of the Central Office or any other local head office.]

CHAPTER VII

LOCAL BOARDS AND THEIR COMMITTEES

Constitution of
Local Boards

1[**48.**	***] **Omitted.**	Terms of office of
2[**49**.	***] **Omitted.**	

Local Board
members

3[**50**.	***] **Omitted.**	Casual Vacancies
4[**51**.	***] **Omitted.**	Presidents and
		Vice Presidents

of Local Boards

52.	**Meetings of Local Boards.-** (1) Meetings of a Local Board shall be convened by the secretary	Meetings of Local Boards
of the Local Board or, in his absence, by the deputy secretary from time to time as he may consider necessary having regard to the business to be transacted at such meetings.		
5[(2)	Subject to the provisions of sub-section (5) of section 31A of the Act, the president or in his absence,	

the vice-president shall be the chairman of the meeting of the Local Board.]:

Provided that if both the president and the vice-president are absent from any meeting, the members present at the meeting shall elect a chairman of the meeting from amongst the members present.

6[(3) ***]

(4) The 7[chief general manager] at each local head office shall be the ex-officio secretary of the Local Board constituted at that local head office, and the officer next senior in rank to him shall be the ex-officio deputy secretary.

(5) Three members shall form the quorum for transaction of business at a meeting of the Local Board.

1Deleted by Resn. C.B.S.B.I. , dt. 20-11-1964.

2Deleted by Resn. C.B.S.B.I. , dt. 20-11-1964.

3Deleted by Resn. C.B.S.B.I. , dt. 20-11-1964.

4Deleted by Resn. C.B.S.B.I. , dt. 20-11-1964.

5Subs. by Resn. C.B.S.B.I. , dt. 20-11-1964.

6Deleted by Resn. C.B.S.B.I. , dt. 20-11-1964.

7Subs. by Resn. C.B.S.B.I., dt. 29.3.1974 (w.e.f. 1-7-1974).

(6) All questions at a meeting of the Local Board shall be decided by a majority of votes by the members present and in the case of equality of votes, the chairman of the meeting shall have a second or casting vote.

(7) A copy of the proceedings of each meeting of the Local Board shall be circulated as soon as possible thereafter for the information of the members, and shall be signed by the chairman of that or the next succeeding meeting.

(8) A copy of the minutes of a Local Board meeting shall also be sent forthwith to the chairman who shall cause the same to be laid before the Central Board.

53.	**Adoption of resolution by Local Board by circulation.-** (1)	A	resolution	in	Adoption of resolution by Local Board by circulation
writing signed by a majority of the members of the Local Board shall be valid and effectual, and shall be deemed to be the resolution passed by the Local Board on the date on which it is signed by the last signatory to the resolution:					

Provided that if any dissenting member in writing requires that any resolution so passed shall be placed before a meeting of the Local Board, the resolution shall not be deemed to be valid and effectual, as foresaid, unless the resolution is passed at such meeting.

(2) Nothing in sub-regulation (1) shall apply to a resolution in respect of any matter relating to the making of advances or discounting of bills by the State Bank.

1[**54**.	***] **Omitted.**		Powers of Local Boards Powers with regard to staff
55.	**Powers with regard to staff.-** (1)	Save as provided in sub-regulation (2), and as may be	
directed by the Central Board, a Local Board may exercise all the powers of the State Bank in respect of the staff serving in the areas in its jurisdiction. 2[(2) (a) The appointing and/or promoting authority for various categories/grades of officers and			

employees shall be such as the Executive Committee may by general or special order designate from time to time.

(b) No officer or employee of the Bank shall be dismissed, discharged, removed or retired from the service of the bank or reduced to a lower grade or post or to a lower stage in a time scale by an authority lower than the appointing authority.

Explanation : For the purpose of clause (b), the term “appointing authority” shall mean and include the authority who has been designated as such in respect of such class or grade of officers or employees to which the officer or employee concerned, as the case may be, belongs at the time when such order is passed or any proceeding leading to such order or termination is initiated.

(c) Nothing is this sub-regulation shall effect the powers of a disciplinary authority appointed or notified under any award, settlement under the Industrial Disputes Act, 1947, governing, affecting or regulating the service conditions of workmen of the Bank, and for the purpose of clause (b) above, the appointing authority shall be deemed to have been substituted by such disciplinary authority.

(d) The salary and other emoluments to be granted to officers and other employees shall be as laid down in the Rules of Service approved by the Central Board and, where no such rules have been laid down, as fixed by the Executive Committee.

(e) The power to grant pensions to officers and other employees leaving the service of the State Bank, other than pensions provided for under the rules of the pension funds respectively applicable to them, shall be reserved to the Central Board.

(f) The grant of gratuities or other financial assistance, either temporary or permanent, to widows, children or other dependents of deceased officers or other employees shall be made by the Executive Committee of the Central Board except where grant of any such gratuity or financial assistance is authorised by any general direction given by the

Central Board.

1Deleted by Resn. C.B.S.B.I. , dt. 20-11-1964.

2Subs.by Resn. C.B.S.B.I., dt. 25.8.1988 (w.e.f. 1-10-1979).

Explanation : The term “officers” in this regulation shall include any employee to whom the rules of service generally applicable to officers, apply with or without modification].

56.	**Constitution and powers of the Committee of the Local Board.-** 1{(1)	There shall	Constitution and powers of the Committee of the Local Board
be a Committee of each Local Board consisting of the chairman of the State Bank (or, if for any reason the chairman does not attend, 2[the managing director, if the managing director is a member of such Local Board]), the president (or, if for any reason he does not attend, the vice-president) 3[the 4(chief general manager) of local head office] and any two members to be elected 5(in rotation from among the members) of			

the Local Board other than the chairman and the president.}
(2) Subject to such general or special directions, as the Central Board may from time to time give, a Committee of the Local Board may deal with any matter within the competence of the Local Board.

57.	**Meetings of the Committee of the Local Board.-** (1)	The	meetings	of	the	Meetings of the Committee of the Local Board
Committee of the Local Board shall be convened by the Secretary or, in his absence, by the deputy secretary from time to time as he may consider necessary having regard to the business to be transacted at such meetings. (2) Two members of the Committee shall form a quorum.						

(3) The minutes of the Committee of the Local Board shall be laid before the Local Board as soon as possible after each meeting. A copy of the minutes of each meeting of the Committee of the Local Board shall also be sent forthwith to the chairman who shall cause the same to be laid before the Committee of the Central Board.

(4) Save as otherwise provided in these regulations, the provisions of the Act and these regulations shall apply to the meetings of the Committee of the Local Board as if they were meetings of the Local Board.

CHAPTER VIII

REMUNERATION OF DIRECTORS AND LOCAL BOARD MEMBERS

Chapter VIII not

6[**58.**	**Chapter VIII not to apply to chairman**.**-** – The provisions of this Chapter shall not		to apply to Chairman
apply to the chairman.]			
7[**59.**	**Fees for Directors, etc. .-** (1)	A director not being a managing director or an officer of	Fees for Directors, etc.
the Central Government or of the Reserve Bank shall be paid fees by the State Bank at the following rates namely :-			

1Subs. by Resn. C.B.S.B.I. , dt. 2-1-1958.

2Substituted for the words *“the Vice-Chairman of the State Bank, if the Vice-Chairman is a member of such Local Board”* by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 25), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

3Subs. by Resn. C.B.S.B.I. , dt. 20-11-1964.

4Subs. by Resn. C.B.S.B.I., dt. 29.3.1974 (w.e.f. 1-7-1974).

5Subs. by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) for “as equally as possible in rotation from among the members (both elected and nominated)”.

6Omitted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 26), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.. The regulation prior to its amendment was : *“58.*

Chapter VIII not to apply to Chairman and Vice-Chairman.- The provision of this chapter shall not apply to the chairman or the vice-chairman.”

7Subs. by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) for “59.(1). A director not being a Managing Director or an officer of the Central Government or the Reserve Bank shall be paid fees by the State Bank as follows :

(a)	For attending meetings of the Central Board	…	Rs.150/- for each meeting
(b)	For attending meetings of the Executive Committee	…	Rs.75/- for each meetings.
(c)	For attending to any other work of the State Bank	…	Such sum as the Central Board may fix from time to

time having regard to the nature and amount of work
involved.

(2) A Local Board member not being a Managing Director [or the (Chief General Manager) or a Local Head Office] or an officer of the Central Government or the Reserve Bank shall be paid fees by the State Bank as follows :-

(a)	For attending meetings of the Local Board	…	Rs.75/- for each meeting

(a) for attending meetings of the Central Board:
at such rate as may be advised from time to time by the Central Government for public sector banks;
(b) for attending meetings of the Executive Committee :
one half of the rate applicable for attending meeting of the Central Board ;
(c) for attending any other work of the State Bank ;
such sum as the Central Board may fix from time to time having regard to the nature and amount of work involved.

(2) A Local Board Member not being a managing director or chief general manager of a local head office or an officer of the Central Government or the Reserve Bank shall be paid fees at the following rates, namely :-
(a) for attending meetings of the Local Board ;
at the same rate as permissible under item (a) of sub-regulation (1) of regulation 59;
(b) for attending meetings of the Committee of the Local Board :
one half of the rate applicable for attending the meeting of the Local Board;
(c) for attending to any other work of the State Bank :
such sum as the Central Board may fix from time to time having regard to the nature and amount of work involved.]

60.	**Reimbursement of travelling expenses of Directors and Local Board members.-**	Reimbursement of travelling expenses of Directors and Local Board members
(1) In addition to the fees to which a director or a Local Board member may be entitled to be paid under regulation 59, every such director or member of a Local Board traveling in connection with work of the State Bank shall be reimbursed his traveling and halting expenses, if any, on such basis as may be fixed by the Central Board from time to time. (2) A managing director 1[or the 2(chief general manager) of a local head office] or a director who is an		

officer of the Central Government or the Reserve Bank shall be reimbursed his travelling and halting expenses on such basis as may be applicable to him under his own rules of service.

(3) Notwithstanding anything contained in sub-regulation (1), no traveling and halting allowances shall be payable to a director or member or a Local Board referred to in that sub-regulation for attending a meeting of the Executive Committee or a Committee of the Local Board 3[except where the director or member has been specifically requested by the Bank to attend any such meeting or such payment is specially authorised by the Central Board.]

4CHAPTER IX
LOANS AND ADVANCES

61.	**Definitions.-** In this chapter, unless the context otherwise requires,			Definitions
(a) "indebtedness to the State Bank " means-				
(b)	For attending meetings of the Committee of Local	…	Rs.30/- for each meetings.	

Board

(c)	For attending to any other work of the State Bank	…	Such sum as the Central Board may fix from time to

time having regard to the nature and amount of work
involved.

1Ins. by Resn. C.B.S.B.I. , dt. 20-11-1964.

2Subs. by Resn. C.B.S.B.I. , dt. 29-3-1974. (w.e.f. 1-7-1974).
3Ins. by Resn. C.B.S.B.I. , dt. 20-11-1964.

4Subs. by Resn. C.B.S.B.I., dt. 25.2.1977 (w.e.f. 1-3-1977).

(i) the outstandings on loans, where the loans have been disbursed in full;
(ii) the maximum amounts of loans sanctioned, where the full amounts may not have been disbursed;
(iii) the limits sanctioned for advances of fluctuating accounts even though the actual drawing power may be lower;
(iv) the amounts outstanding on account of usance bills discounted for, and demand bills purchased from, the borrower, or the limits sanctioned therefor, whichever may be higher; and
(v) the amounts for which liabilities have been accepted by the State Bank and are subsisting under bills accepted or letters of credit issued or guarantees or indemnities given for and on behalf of the borrower, or the limits sanctioned thereof, whichever may be higher,
but does not include indebtedness against specified security;
(b) "loan or advance" includes credit facilities extended by way of discount of usance bills, purchase of demand bills, acceptance of bills or issue of letters of credit and guarantees or indemnities; (c) "relative" means the person specified in the 1[Schedule –II] to these regulations and includes any other person specified by the Central Board from time to time;
(d) "specified security" means any one or more of the following securities;
(i) stocks, funds and securities (other than immovable property) in which a trustee may invest trust money under any law for the time being in force in India;
(ii) receipts, certificates or any other form of instruments issued by the State Bank in evidence of or representing amounts deposited with it; and

(iii) any other security that may be specified by the Central Board from time to time as specified security generally or with reference to any particular purpose or category or borrowers; (e) “substantial interest” shall have the same meaning as in clause (ne) of section 5 of the Banking Regulation Act, 1949 (10 of 1949).

62.	**Powers to grant loans and advances by Local Boards.**3[Subject to any general or	2[Powers to grant loans and advances by Local Boards.]
special order made under sub-section (2) of Section 43 and any directions which may be issued by the Central Board, a Local Board may exercise powers and perform in particular the following functions without prejudice to the generality thereof in respect of the loans and advances falling within the area of its		

jurisdiction:-
(a) review of priority sector advances;
(b) review of financing of SSI sector;
(c) review of the progress made in lending to agriculture;
(d) review of bad debts written off as per scheme of delegation of financial powers;
(e) review of top 100 borrowal accounts in each category of NPA i.e sub-standard /doubtful/loss assets (with outstandings of rs.100 lakh and over);

1Substituted for the word “schedule” by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 27), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

2 Subs. by Resolution of CB.S.B.I dated 28.10.99 (w.e.f 6.11.99) for “Limit on Local Board’s powers to grant loan or advance”. 3 Subs. by Resolution of CB.S.B.I dated 28.10.99 (w.e.f 6.11.99) for “62. A Local Board shall not, without the sanction of the Central Board or the Executive Committee, grant or renew a loan or advance : -
(1) To a borrower who is an individual, joint Hindu Family or a Partnership Firm, an amount which would make the borrower’s indebtedness to the State Bank.

(a) falling under one or more of the sub-clauses (i), (ii), (iii) and (iv) of clause (a) of Regulation 61 to exceed Rs.Two crores and
(b) falling under sub-clause (v) of clause (a) of Regulation 61 to exceed Rupees Two crores.

(2) To any other borrower an amount which would make the aggregate of the borrower’s indebtedness to the State Bank.

(a) falling under one or more of the sub-clauses(i), (ii) , (iii) and (iv) of clause (a) of Regulation 61 to exceed Rupees Ten crores, so, however, that where a loan or advance to such borrower is not repayable on demand or within a period of 12 months from the date of such loan or advance, the borrower’s indebtedness in respect of the aggregate of such loans or advances shall not exceed Rupees Five crores.

(b) falling under sub-clause (v) of clause (a) of Regulation 61 to exceed Rupees Ten crores.”

(f) review of special programme of credit assistance like IRDP, DRI, SEEUY, PMRY, etc.

(g) review of performance under lead districts.] **63**. 1(***) **Omitted.**		Loan or advances to be reported to Executive Committee.
64.	**Directors and members of Local Boards to notify their interests in firms,**	Directors and members of Local Boards to notify their interests in firms, companies,
companies, etc. .-	Without prejudice to the provisions of sub-section (3) of section 31 and of sub-	
section (3) of section 31A of the Act, every director and member of a Local Board shall notify to the chairman- (a) the names of concerns in which such director or member is interested as sole proprietor;		

etc.

(b) the names of individuals with whom such director or member is connected as a partner or guarantor;

(c) the names of firms in which such director or member is interested as partner, manager, employee or guarantor; and

(d) the names of companies of which such director or member is a director, manager, employee or guarantor or in which such director or member holds substantial interest.

65.	**Employee not to grant loan or advance to himself.-** No employee shall grant on behalf	Employee not to grant loan or advance to himself
of the State Bank any loan or advance to himself or a joint family of which he is a member or a partnership with which he is connected in any manner or a trust in which he is a trustee or a private or public limited company in which he holds substantial interest.		
66.	**Employee not to grant loan or advance to relatives.-** Save and except against specified	Employee not to grant loan or advance to relatives
security or in cases as may otherwise be specified by the Central Board from time to time, no employee shall grant on behalf of the State Bank, any loan or advance to - (a) a relative of his;		

(b) an individual in respect of whom a relative is a partner or guarantor;

(c) a joint family in which a relative is a member;

(d) a firm in which a relative is a partner, manager or guarantor; and

(e) a company in which a relative holds substantial interest or is interested as director, manager or guarantor.

67.	**Loan or advance to officers and employees**.- No loan or advance shall be granted -	Loan or advance to officers and employees

(a) to the chairman, 2[***] or a managing director, without the sanction of the Central Board or the Executive Committee; and	

(b) to any other officer or employee of the State Bank, without the sanction of the Executive Committee or of the Local Board, as the case may be, under which such other officer or employee is serving, if such loan or advance is not granted in accordance with the terms and conditions approved by the Central Board or the Executive Committee or is not granted against a specified security.

3[**68**.	***] **Omitted.**	Members of Local Boards
		not to participate in
		proceedings in which they

are interested

1[**69**.	***] **Omitted.**	Prior approval of Executive
		committee necessary to grant

of loans to joint stock companies of which Local Board members are directors 1Omitted by Resolution of C.B.S.B.I dated 28.10.99 (w.e.f 6.11.99) “63. A loan or advance granted by any authority which makes the
borrower’s indebtedness to the State Bank exceed rupees one and a half crores, where the borrower is an individual, Joint Hindu Family
or a Partnership Firm and rupees three crores in all other cases, shall be reported to the Executive Committee as soon as possible but in
any case within a period of three months.

Provided that the Executive Committee may for specific reasons to be recorded, condone the delay, if any, in reporting such loan or advance.”.

2Omitted for the words “the vice-chairman” by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 67), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt. 04.03.2014.

3Deleted by Resn. C.B.S.B.I. , dt. 25-2-1977 (w.e.f. 1-3-1977).

2[**70**.	***] **Omitted.**	Advances to officers and

employees of the State

3[**71**.	***] **Omitted.**	Advances at lower rates
4[**72**.	***] **Omitted.**	Suspense Accounts
5[**73**.	***] **Omitted.**	Accounts of investments in
		Government securities
6[**74**.	***] **Omitted.**	Weekly statement of
		affairs

CHAPTER X

MISCELLANEOUS

75.	**Manner and form in which contracts binding on the State Bank may be**	Manner and form in which
executed.- (1) Contracts on behalf of the State Bank may be as follows :-		

contracts binding

(i) any contracts which, if made between private persons, would be by law required to be in writing signed by the parties to be charged therewith, may be made on behalf of the State Bank in writing signed by	on the State Bank may be executed.

any person acting under its authority express or implied, and may in the same manner be varied or discharged;

(ii) any contracts which, if made between private persons, would by law be valid although made by parol only and not reduced to writing may be made by parol on behalf of the State Bank by any person acting under its authority express or implied, and may in the same manner be varied or discharged;

(2) All contracts made according to the provisions of this regulation shall be effectual in law, and shall bind the State Bank and all other parties thereto and their legal representatives.

76.	**Accounts receipts and documents of State Bank by whom to be signed.-** 7[(1)	Accounts receipts and

8[The managing directors,]9(the deputy managing directors), the 10(chief general managers) and such other officers and employees of the State Bank as the Central Board or the Executive Committee may authorise in this behalf by notification in the Gazette of India, to such extent and subject to such limitation if any, as the Central Board or the Executive Committee may specify or impose in so authorising, are hereby severally	documents of State Bank by whom to be signed

empowered, for and on behalf of the State Bank, to sign all documents, instruments, accounts, receipts, letters and advices connected with the current or authorised business of the State Bank and, in particular and without prejudice to the generality of the foregoing powers, to endorse and transfer promissory notes, stock receipts, stock debentures, shares, securities and documents of title to goods, standing in the name of or held by or on

1Deleted by Resn. C.B.S.B.I. , dt. 25-2-1977 (w.e.f. 1-3-1977).

2Deleted by Resn. C.B.S.B.I. , dt. 25-2-1977 (w.e.f. 1-3-1977).

3Deleted by Resn. C.B.S.B.I. , dt. 25-2-1977 (w.e.f. 1-3-1977).

4Deleted by Resn. C.B.S.B.I. , dt. 29-11-1974.

5Deleted by Resn. C.B.S.B.I. , dt. 29-11-1974.

6Deleted by Resn. C.B.S.B.I. , dt. 29-11-1974.

7 Subs. by Resn. C.B.S.B.I. , dt. 25-11-1970.

8Substituted for the words *"The Vice Chairman, the Managing Directors,"* by the State Bank of India General (Amendment) Regulations, 2013(Regulation 29), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

9 Ins. by Resn. C.B.S.B.I. , dt. 30-11-1973.

10 Subs. by Resn. C.B.S.B.I., dt. 29.3.1974 (w.e.f. 1-7-1974).

behalf of the State Bank or, in the absence of any agreement to the contrary, standing in the name of or held by or on behalf of any person, firm, company or corporation for or on behalf of which person, firm, company or corporation the State Bank has been constituted as attorneys, to draw, accept and endorses bills of exchange and cheques, to issue, confirm and transfer letters of credit and to sign guarantees and indemnities.] (2) Without prejudice to the provisions of sub-regulation (1) all powers of attorney and other authorisations issued by the Imperial Bank in favour of any officer or other employee who becomes an officer or other employee of the State Bank by virtue of section 7 of the Act shall continue to be in full force and effect as if instead of the Imperial Bank, the State Bank had been a party to such powers of attorney or authorisations, and, accordingly, any such officer or other employee may exercise on behalf of the State Bank such powers as he was exercising before the appointed day on behalf of the Imperial Bank.

(3) The provisions of this regulation shall not deemed in any way to affect the provisions of the Imperial Bank of India Act, 1920, not the authority which any person has under that Act in relation to the Imperial Bank, and any such person if so authorised under this regulation and by, or under, the Imperial Bank of India Act, 1920, may act on behalf of the State Bank as well as the Imperial Bank to the extent so authorised.

77.	**Plaints, etc., by whom to be signed.-** Plaints, written statements, petitions, and applications	Plaints, etc, by whom to be signed
may be signed and verified, affidavits may be sworn or affirmed, bonds may be signed, sealed and delivered, and generally all other documents connected with legal proceedings whether contentious or non-contentious		

may be made and completed on behalf of the State Bank by the chairman or by any officer or employee empowered by or under regulation 76 to sign documents for and on behalf of the State Bank.

1[**78. Joint responsibility of managing directors in administrative and staff matters**. **.-** – The chairman shall, whenever, managing directors are in office, endeavour to promote as large a measure as possible of joint responsibility among them in administrative and staff matters of the State Bank.]	Joint responsibility of Managing Directors in administrativ

e and staff
matters

79. Obligations to notify disqualifications of directors and members of Local Boards and Local Committees.- (1) If a director or a member of the Local Board or Local Committee becomes subject to any of the disqualifications set out in section 22 of the Act, he shall forthwith notify the fact as well as the date from which the disqualification became applicable to him, to the chairman.	Obligations to notify disqualificatio ns of directors and members

of Local

(2) The chairman shall inform the Central Government and the Reserve Bank as soon as it comes to his notice that any director or member of a Local Board or Local Committee has become subject to any of the	Boards and Local Committees

disqualifications specified in section 22 of the Act.

80.	**The Seals of the State Bank .-** (1) The common seal of the State Bank shall not be affixed	The Seals of the State Bank
to any instrument except in the presence of at least three directors (one of whom shall be the chairman, 2[***] or a managing director), who shall sign their names to the instrument in token of their presence, and such		

signing shall be independent of the signing of any person who may sign the instrument as a witness. Unless so signed, as aforesaid, such instrument shall be of no validity.

(2) The State Bank shall have for use by the Local Boards at 3[Mumbai, Kolkata and Chennai], and may have for the use of other Local Boards established under the Act, official seals which shall be facsimiles of the common seal of the State Bank with the addition of the name of the local head office where it is to be used.

(3) An instrument to which an official seal is dully affixed shall bind the State Bank as if it had been sealed with the common seal of the State Bank.

(4) An official seal shall not be affixed to any instrument except in the presence of at least two members of the Local Board and the secretary, or deputy secretary, who shall sign their names to the instrument in token of their presence and such signing shall be independent to the signing of any person who may sign the instrument as a witness. Unless so signed, as aforesaid, such instrument shall be of no validity.

1[(5)	The official seal may be used for such purposes as may be determined by the Local Board.]

1Substituted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 30), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014 . The regulation prior to its amendment was : "*78.*

Joint responsibility of Managing Directors in administrative and staff matters.- The Chairman shall, whenever, two Managing Directors are in office, endeavour to promote as large a measure as possible of joint responsibility between them in administrative and staff matters of the State Bank."
2Omitted the words "vice-chairman" by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 31), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

3Substituted the words "*Calcutta, Madras and Bombay*" by the State Bank of India General (Amendment) Regulations, 2013(Regulation 31), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

(6) Without prejudice to the generality of the foregoing sub-regulation, an official seal may be affixed by an Local Board to instruments of the following descriptions in connection with business at the offices and branches under its jurisdiction, namely :-

(a) Leases of office premises, godowns, houses and other property required in connection with the business of the State Bank and surrenders and transfers of such leases.

(b) Conveyances of property bought or sold by the State Bank.

(c) Instruments whereby any property is mortgaged to the State Bank, conveyances on sale or by way of transfer of mortgage, and reconveyances, surrenders and releases of such property.

(d) Powers of attorney granted by the State Bank.

(e) Agreements for service of employees whom the Local Board is empowered to appoint.

(f) Contracts of indemnity, suretyship or guarantee with specific security or otherwise.

(g) Instruments of appointment or discharge of the State Bank as trustee of any trust, or connected with the administration of any estate in which the State Bank is concerned as executor, trustee, or otherwise.

81.	**Service of notices to shareholders.-** (1) Save as otherwise provided in these regulations, a	Service of notices to shareholders
notice may be given by the State Bank to any shareholder either personally or by sending it by post to him to		

his registered address.

(2) Any notice required to be given by the State Bank to the shareholders or any of them and not expressly provided for by these regulations, shall be sufficiently given if given by advertisement.

(3) Any notice sent by post shall be deemed to have been served on the third day following that on which the envelope or wrapper containing the same is posted, and in proof of such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed, pre-paid and put into the post office, and a certificate in writing signed by an employee of the State Bank that the envelope or wrapper containing the notice was so addressed, pre-paid and posted shall be conclusive evidence thereof. Any notice given by advertisement shall be deemed to have been given on the date on which the advertisement first appeared.

(4) Any notice given in accordance with the foregoing provisions shall be deemed to have been duly given notwithstanding that the shareholder be then deceased and whether or not the State Bank had notice of his decease, and shall, in that event, be deemed to be a notice to his legal representatives.

(5) All notices with respect to any registered shares to which persons are jointly entitled shall be given to whichever of such persons is named first in the 2(register) on which the shares are entered, and notice so given shall be sufficient notice to all the holders of said shares.

(6) The signature to any notice to be given by the State Bank may be written or printed.
Service of

82.	**Service of notice on State Bank .-** A notice may be served on the State Bank by leaving it at,	notice on State Bank
or sending it by post to, any local head office of the State Bank.		

Returns 3[**82A**. ***] **Omitted.** under Section 40 of the Act

4[**83. Payment of dividend.-** (1)	An account of the profits of the State Bank shall be taken as on	Payment of dividend
or after the date specified in terms of Section 39 of the Act every year, and a dividend, if any, shall be declared and paid, as soon as conveniently may be, thereafter. The Central Board may from time to time		

declare and pay or authorise the payment of such interim dividends as appear to it to be justified.] (2) No dividend shall carry interest as against the State Bank.

1Subs. by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) for "80.(5). The official seal shall be affixed to the certificates issued in respect of any shares entered in the branch registers kept at those places, and may be used for such other purposes as may be determined by the Local Board."
2Subs. by Resn. C.B.S.B.I., dt. 29.11.1994 (w.e.f. 15-10-1993) for "branch register".

3Deleted by Resn. C.B.S.B.I. , dt. 29-3-1974 (w.e.f. 1-7-1974).

(3) Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends in respect of such share.

(4) Dividend shall be paid by cheque or warrant drawn on a local head office of the State Bank, and shall be sent through post to the registered address of the shareholder entitled, or in the case of joint holders to the registered address of the one whose name stands first on the register in respect of the joint holding, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

1[(4A). Notwithstanding anything contained in sub-regulation (4), the State Bank may make payment of dividend to any person entitled thereto under the Act or these regulations, either by direct credit to the bank account of such person or by electronic payment system or by any other mode of electronic fund transfer recognised by the Reserve Bank.]

(5) The State Bank shall not make payment of a dividend to any person not entitled thereto under the Act or these regulations, but shall retain the same and make payment thereof to the person who next becomes registered in respect of the share on which such dividend is payable, and is not disentitled under the Act or these regulations to receive it.

84.	**Matters not covered by these regulations**.- All rules made by the Central Broad of the	Matters not covered by these regulations
Imperial Bank and in force immediately before the appointed day shall, in respect of matters not specifically covered by these regulations, continue to be in full force and effect, in so far as such rules are not inconsistent with the provisions of the Act and these regulations, as if the said rules were regulations made under the Act,		

until the same shall be duly altered, amended or repealed, and in construing the said rules any references to the authorities of the Imperial Bank shall be deemed to be references to the corresponding authorities of the State Bank.

2[**Schedule – I**

Form 'A'
{See sub-regulation (1) of regulation 16A}

Nomination form
(Separate nomination form should be submitted for each folio by individual applying singly or jointly)

I/We.....(1) and .....(1) and .....(1) the holders of shares under Folio number .....(2) of State Bank of India wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and / or amount payable in respect of the shares held under the aforesaid Folio No. shall vest in the event of my death / death of all joint holders.

Name and address of nominee
Name (3)..... ..... Address (4): …..... .... Date of birth* : .....

[*To be furnished in case the nominee is a minor]

**The Nominee is a minor whose guardian is :

Name(5) .... And Address ....

....

*(** To be deleted if not applicable)*

Signature of shareholder .....

1Inserted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 32), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

2Inserted by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 33), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

(First/sole holder)
Name..... ..... Address..... ....
Date.....

Signature of shareholder (second holder) .....

Name..... ..... Address..... ....

....
Date.....

Signature of shareholder (third holder)……
Name..... .....

Address..... .....
....
....
....
.... Date.....

Name, signature and address of two witnesses

Signature of first witness .....

Name..... .....
Address..... .....
....
....
....
.... Date.....

Signature of second witness.....

Name..... ..... Address.....
....
....
....
Date.....

(1) Name of shareholder(s).

(2) Folio No.

(3) Full name of nominee in capital letters.
(4) Complete permanent address of nominee.
(5) Name and address of guardian of minor.

Form 'B'
{See sub-regulation (6) of regulation 16A}

Form for variation or cancellation of nomination

I/We.....(1) and .....(1) and .....(1) the holders of shares under Folio number .....(2) of State Bank of India wish to cancel the nomination and do hereby cancel the nomination made by me/us in favour of ----------(3) and nominate the following person in whom all rights of transfer and / or amount payable in respect of shares held under the aforesaid Folio No. shall vest in the event of my death / death of all joint holders.

Name and address of nominee
Name (4) : ……..... Address (5): ….....
....

Date of birth* : .....

[*To be furnished in case the nominee is a minor]

** The Nominee is a minor whose guardian is :

Name(6)..... .....

And Address ....

....

....

....

....

*(** To be deleted if not applicable)*

Signature of shareholder ..... (First/sole holder)

Name..... ..... Address
....
....
....
....

Date.....

Signature of shareholder (second holder) .....

Name..... ..... Address.....
....
....
....

Date.....

Signature of shareholder (third holder) .....

Name..... ..... Address.....
....
....
....

Date.....

Name, signature and address of two witnesses

Signature of first witness .....

Name..... ..... Address.....
....
....
....

Date.....

Signature of second witness .....

Name..... ..... Address.....
....
....
....

Date.....

(1) Name of shareholder(s).

(2) Folio No.

(3) Full name of the previous nominee.

(4) Full name of the new nominee in capital letters.

(5) Complete permanent address of new nominee.

(6) Name and address of guardian of minor.]

1{2[**Schedule- II**]

[(*See* regulations 61 (c)]

1. Spouse
2. Father
3. Mother (including step-mother)
4. Son ((including step-son)
5. Son's wife
6. Daughter (including step-daughter)
7. Daughter's husband
8. Brother (including step-brother)
9. Brother's wife
10. Sister (including step-sister)
11. Sister's husband
12. Brother (including step-brother) of the spouse
13. Sister (including step-sister) of the spouse}

COMMENTS/ NOTES.

(i)Amendments to General Regulations made by the Central Board on 29-11-1994 with effect from 15-10-1993 have been published in the Gazette of India Part III-Sec. IV dated 31-12-1994.

(Hindi version from pages 5375 to 5382 and English version from 5389 to 5394)

(ii) Amendments to General Regulation made by Central Board on 28.10.1994 with effect from 6.11.99 have been published in the Gazette of India Part III- Section IV dated 6.11.99

(Hindi Version on Page 3852 and English Version on Page 3889)

(iii) Amendments to the General Regulations made by the State Bank of India General (Amendment) Regulations, 2013, with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014, which was earlier approved by the Central Board in its meeting held on 30.10.2013.

1Ins. by Resn. C.B.S.B.I. , dt. 25-2-1977 (w.e.f. 1-3-1977).

2Re-numbered the “Schedule” by the State Bank of India General (Amendment) Regulations, 2013 (Regulation 33), with effect from 3rd March, 2014, published in the Gazette of India, Extraordinary, Part III- Section 4, Dt.04.03.2014.

THE STATE BANK (COMPENSATION ON IMPERIAL BANK SHARES) RULES, 1955.

THE STATE BANK (COMPENSATION ON IMPERIAL BANK SHARES) RULES, 1955.

1S.R.O. 1368, dated the 23rd June, 1955 in exercise of the powers conferred by section 49 of the State Bank of India Act, 1955 (23 of 1955) read with section 22 of the General Clauses Act, 1897 (X of 1897), the Central Government in consultation with the Reserve Bank hereby makes the following rules, namely:-

1.Short title and date of commencement-These rules may be called the State Bank (Compensation on Imperial Bank Shares) Rules, 1955, and shall come into force on the 1st day of July 1955.

2.Definitions-In these rules, unless there is anything repugnant in subject or context- a)the “Act” means the State Bank of India Act, 1955 (23 of 1955);
b)“schedule” means the First Schedule to the Act;
c)“form” means one of the forms given in the Schedule to these rules;
d)other expression have the meanings assigned to them in the Act.

3.When different holdings may be combined-For the purpose of calculating the compensation payable in various forms, like Central Government securities, cheques drawn on the Reserve Bank or State Bank shares, the following shall be deemed to be single holdings:-

(i) all shares of the Imperial Bank registered in the name of one shareholder, and

(ii) all shares of the Imperial Bank registered in the joint names of the same two or more shareholders in whatever order registered.

4.Manner in which applications for compensation shall be made.

(1)Manner in which applications for compensation shall be made.

(i) Every application to the Reserve Bank by a shareholder entitled to claim compensation in terms of the schedule shall be in Form ‘A’;

(ii)Every application to the Reserve Bank by a shareholder claiming to be entitled to the compensation due in respect of a share registered in the name of such shareholder jointly with any deceased shareholder shall be in Form ‘B’;

(iii)Every application to the Reserve Bank by a shareholder claiming to be entitled to the compensation due to any deceased shareholder in cases other than those covered by sub-clause (ii) of this sub-rule shall be in Form ‘C’.

(2)Every application for compensation shall be accompanied by the share certificate issued by the Imperial Bank in respect of the share for which the compensation is claimed.

(3)	An application for compensation shall be lodged, against a counter-receipt-

(a) in the case of shareholder who immediately before the 1st July 1955 was registered as a holder of shares on one branch register of the register of the Imperial Bank, at the Local Head Office of the State Bank at the place where the said branch register was kept before that day; and

(b) in the case of a shareholder who immediately before the 1st July 1955 was registered as a holder of shares on more than one branch register of the Imperial Bank, one of which was kept at Bombay, at the Local Head Office of the State Bank in Bombay, and in other cases, at the Local Head Office of the State Bank in Calcutta.

(4)An application may be lodged personally or sent to the Local Head Office concerned of the State Bank by post.

5.Warrant for transfer of State Bank shares-The warrant issued by the Reserve Bank directing a transfer of shares of the State Bank in pursuance of the provisions of sub-paragraph (2) of paragraph 5 of the schedule shall be in Form ‘D’.

6.Payment of the balance of compensation after deduction of the price of State Bank shares-
When a shareholder, in pursuance of sub-paragraph (1) of paragraph 5 of the schedule, applies for transfer to him of shares of the State Bank, the price of the shares that the Reserve Bank may decide to transfer to him shall be adjusted against the total amount of compensation payable under paragraph 2 of the schedule, and the balance shall be paid to him in the manner hereinafter provided:

(a)where the applicant is entitled under sub-paragraph (2) of paragraph 4 of the schedule to apply for compensation up to the first Rs. 10,000 by cheque on the Reserve Bankand has so applied, and the amount of the balance does not exceed the amount so applied for, by cheque on Reserve Bank;

(b)where the applicant is entitled under sub-paragraph (2) of paragraph 4 of the schedule to apply for compensation up to the first Rs. 10,000 by cheque on the Reserve Bank and has so applied, and the amount of the balance exceeds the amount so applied for, in Central Government security of the form and at the value notified by the Central Government in pursuance of sub-paragraph (1) of paragraph 4 of the schedule for so much of the amount of the excess over the amount so applied for as is the exact nearest lower multiple of the value of the Central Government security, as so notified, and by cheque drawn on the Reserve Bank for the amount so applied for and any amount in excess of the said nearest lower multiple;

(c)where the applicant is not entitled to, or has not applied for payment of, compensation up to the first Rs. 10,000 by cheque on the Reserve Bank under sub-paragraph (2) of paragraph 4 of the schedule, in Central Government security of the form and at the value notified by the Central Government in pursuance of sub-paragraph (1) of paragraph 4 of the schedule for so much of the amount of the balance as is the exact nearest lower multiple of the value of the Central Government security, as so notified, and by cheque drawn on the Reserve Bank for the amount in excess of the said nearest lower multiple.

7.Shares registered in the names of deceased holders-(1) In the case of a share registered in the sole name of a deceased shareholder, the Executors or Administrators of the deceased shareholder or the holders of a succession certificate issued under Part X of the Indian Succession Act, 1925 in respect of share

registered in the name of the deceased shareholder shall be the only person who may be recognised by the Reserve Bank as having any title to claim compensation for any share registered in the name of that deceased shareholder.

(2) In the case of a share registered in the name of two or more shareholders one or some of whom is or are deceased, the survivor or survivors, or if all the joint shareholders are deceased, the Executors or Administrators of the last survivor or the holders of a succession certificate obtained in the estate of the last survivor covering such a share, shall be the only persons who may be recognised by the Reserve Bank as having any title to claim the compensation for such a share.

(3) The Reserve Bank shall not be bound to recognise the claim of any Executor or Administrator or other person unless he shall have obtained a probate or letters of administration or other legal representation as the case may be from a competent Court in India having effect at the place where the branch register of the Imperial Bank in which the deceased was registered as a shareholder was situate:

Provided that the Reserve Bank may, in its discretion, dispense with the production of a succession certificate, letters of administration or such other legal representation upon such terms as to indemnity or otherwise as it may think fit.

8.Claims under instruments of transfer-The Reserve Bank shall not pay compensation to any person claiming to be entitled to compensation in respect of any share as a transferee from a shareholder unless it is satisfied from the evidence furnished to it by the applicant that he is unable to have the application made, for his benefit, by the shareholder, and unless the applicant produces-

(a)a valid instrument of transfer in respect of the share executed in his favour, and

(b)such further evidence as the Reserve Bank may deem sufficient for establishing the applicant's title to compensation.

9.Claims not provided for by Rules 7 and 8- Save as provided in Rules 7 and 8, the payment of compensation to any person who is not a shareholder shall be at the absolute discretion of the Reserve Bank who may, before making payment, require such proof of the applicant's claim to compensation, including an order from a competent Court as it may deem sufficient to protect its interests.

10.Power to require indemnity-Before paying the compensation to any person whose claim is recognised under Rule 8 or 9, the Reserve Bank may require the execution of a bond of indemnity with or without sureties as it may deem fit.

11.Rules also to apply to claimants other than registered shareholders-Where any person other than the shareholder is recognised by the Reserve Bank as being entitled to payment of compensation, these rules, other than Rules 3, 4(1) and 8, shall apply to that person, as if he were himself the shareholder entitled to receive compensation under the Act.

12. Loss, etc., of share certificate-A shareholder whose share certificate issued by the Imperial Bank has been lost, destroyed, mutilated or stolen shall, before claiming the compensation, comply with, in full, the procedure that was, immediately before the appointed day, in vogue in the Imperial Bank for the issue of a duplicate in respect of such a share certificate:

Provided that nothing herein contained shall be deemed to affect the descretio0n of the Reserve Bank to dispense with, in full or in part, the said procedure upon such terms as to indemnity or otherwise as it may think fit.

13.Information regarding payment of compensation-(1) No information regarding the payment of compensation on any share or any claim in respect thereof shall be furnished to any person other than the applicant for compensation in respect of that share.

(2) Notwithstanding anything in sub-rule (1), the Reserve Bank may, at its absolute discretion, furnish any information to any person subject to such search fees, not exceeding Rs. 10, as it may charge depending on the nature of the information required and the time within which, or when, the information is required.

SCHEDULE

FORM 'A'

[See Rule 4(1) (i)]
Application for compensation by registered shareholder(s)

THE MANAGER,
RESERVE BANK OF INDIA, ... 1955.

BOMBAY/CALCUTTA/MADRAS

Dear Sir,
Claim for compensation in respect of imperial Bank of India shares.

I/We1……
Hereby state that……...……shares of the Imperial Bank, distinguishing Nos…… ……, stood registered in my/our name(s) on the branch share register of the Imperial Bank at

Bombay,……	shares,	distinguishing	Nos	……

……, on the branch share register at Calcutta and

……shares,	distinguishing	Nos	……

…… ……..…… on the branch share register at Madras.

2. I/We surrender herewith the relative share certificate(s) and request that the compensation admissible to me /us, in respect of the above shares, under paragraph 2 read with sub-paragraph (1) of paragraph 4 of the First Shedule to the State bank of India Act, 1955, may be paid to me/us.

3. I/We hereby declare that I am/we are the shareholder(s) entitled to receive compensation in respect of the above shares, and that apart from the above shares I/we did not hold, immediately before the 1st July 1955, any shares of the imperial Bank in my/our joint name(s) nor have I/we jointly, made any other claim for payment of compensation on any share of the Imperial Bank standing in my/our joint name(s).

1 Name(s) in full as stated in the share certificate(s).

4.	(a)	Out	of	the	shares	specified	in	paragraph	1

above…… shares registered on the branch share register at …….. and ……. Shares registered on the branch share…….register at……..…and …..…... share registered on the branch share register at……stood registered in my/our name(s) on the 19th December, 1954. In terms of sub-paragraph (2) of paragraph 4 of the Schedule referred to above, I/we wish to apply that of the compensation due to me/us on these shares an amount1 of Rs. …… (Rupees…….) may be paid to me/us by cheque drawn on the Reserve Bank.

OR

(b) I/WE do not wish to receive an amount upto the first Rs.10,000 of the compensation payable to me/us on the shares registered in my/our name(s) on the 19th day of December 1954 by cheque drawn on the Reserve Bank.

5. (a) I/we request that in lieu of the compensation payable to me/us, shares of the State Bank of India be transferred to me/us in accordance with the provisions of paragraph 5 of the Schedule referred to above. The shares of the State Bank may be transferred to me/us, any balance is still due to me/us in the name(s) of2……... …… ……..……to be held on the branch register at……if, after adjusting the price of the State Bank shares transferred to me/us, any balance is still due to me/us, the same may be paid to me/us in the form of Central Government security and/or cheque drawn on the Reserve Bank as provided in paragraph 4 of the Schedule referred to above read with Rule 6 of the State Bank (Compensation on Imperial bank shares) Rules, 1955. In this connection, I/we hereby declare that on transfer of the shares of the State Bank if India to my/our name(s) I/we agree to hold the shares on the terms and conditions to which they are subject under the State Bank of India Act and the Rules and Regulations made thereunder.

OR

(b) I/We do not wish to avail of the option to apply for transfer to me /us of shares of the State Bank of India in terms of paragraph 5 of the First Shedule to the State Bank of India Act, 1955.

6. I/We request that the interest on the Central Government security that will be issued

to me/us may be at……3	made	payable

7. (a) Please deliver the Central Government security, the advice regarding the issue of the warrant for the transfer of State Bank shares and/or the cheque, due to me/us by way of compensation to…… …… ……3

OR

1 This amount should not exceed Rs. 10,000.

2 The name(s) to be stated may be that of one or more of joint applicants.

3 Here may be entered the name of any place in India where there is a treasury or sub-treasury.

(b) Please send the Central Government security (uncut), the advice regarding the issue of the warrant for the transfer of State Bank shares, and/or the cheque, to ……1at my/our risk by registered/insured post.

Yours faithfully,

Witness: ……..

…….....

[Signature(s) of the shareholder(s) Address …….

……
Address……
…….…… …… Occupation: ……..……. ..……...……..

N.B.-Claimant's attention is invited to the instructions given below :

1. Please stike off unnecessary words or portions not applicable.

2. The options to obtain compensation upto the first Rs.10,000 by cheque on the Reserve Bank of India referred to in paragraph 5(a) above can be exercised only in claims lodged on or before 1st October,1955.

3. If either of the alternatives (a) or (b) in paragraphs 4 and 5 above is not struck off before the claim is lodged, alternatives (a) will be deemed to have been struck off, and compensation will be paid on the basis that the claimant has opted for alternatives (b).

4. All shareholders must sign the form in accordance with the specimen furnished by them to the Imperial Bank.

5. Where several persons hold shares jointly the form must be signed by *all* of them.

6. Ladies' signature in any Indian language and all signatures by mark or thumb impression should be verified by a Justice of Peace preferably one whose signature is known to the State Bank, or by a Magistrate under the seal of his Court.

7. Where any person signs for and on behalf of an applicant, the relevant Power of Attorney or other document giving the person the necessary authority should accompany the application if it was not already registered with the Imperial Bank.

8. All alternations and/or additions in the application must be initialed by the applicant(s).

9. The application must be lodged-

1 Insert the word 'me' or the name of a bank or a recognized broker or one of the joint shareholders.

(a) in the case of a shareholder who immediately before the 1st July 1955 was registered as a holder of shares on one branch register of the Imperial Bank, at the Local Head Office of the State Bank at the place where the said branch register was kept before that date; and

(b) in the case of a shareholder who immediately before the 1st July 1955 was registered as a holder of shares on more than one branch register of the Imperial Bank one of which was kept at Bombay, at the Local Head Office of the State Bank in Bombay, and in other cases, at the Local Head Office of the State Bank in Calcutta.

10. The application must be accompanied by the share certificate(s) issued by Imperial Bank in respect of the share(s) for which compensation is claimed.

FORM 'B'

[See Rule 4 (1) (ii)]

Application for compensation by the survivor/ survivors of two or more joint shareholders.

THE MANAGER,
RESERVE BANK OF INDIA, _____1955.

BOMBAY / CALCUTTA / MADRAS

Dear Sir,

Claim for compensation in respect of Imperial Bank of India shares.

I / We1 ,_____ hereby state that _____ shares of the Imperial Bank of India, distinguishing Nos. _____, stood registered in the names of myself / ourselves and the late1 _____ and the late1 _____ on the branch share register of the Imperial Bank at Bombay, _____shares, distinguishing Nos. _____, on the branch share

register	at	Calcutta	and	_____	shares,

distinguishing Nos. _____ on the branch share register at Madras. _____ is / are deceased and I am / we are his/their survivor/survivors.

2. I/We surrender herewith the relative share certificate/certificates and also produce documents and proofs entitling me/us to claims the compensation admissible in respect of the above shares under paragraph 2 read with sub-paragraph (1) of paragraph 4 of the First Schedule to the State Bank of India Act, 1955. I / We state that I am / we are the person(s) entitled to claim the said compensation and request that it may be paid to me/us.

1 Name(s) in full as stated in the share certificate(s).

3. I/We hereby declare that apart from the above shares, I/we did not hold, immediately before the 1st July 1955, any shares of Imperial Bank in the joint names of myself/ ourselves and the deceased1 _____nor have I/we jointly, made any other claim for payment of compensation on any such share/shares of the Imperial Bank.

4. (a) Out of the shares specified in paragraph 1 above, _____ shares registered on the branch share register at _____ shares registered on the branch share register at _____ and _____ shares registered on the branch share register at _____ stood registered in the joint names of myself/ourselves and the deceased1 _____ on the 19th December 1954. In terms of sub-paragraph (2) of paragraph 4 of the Schedule referred to above, I/we wish to apply that of the compensation due to me/us on these shares an amount1 of Rs._____ (Rupees_____) may be paid to me/us by cheque drawn on the Reserve Bank.

OR

(b) I/we do not wish to receive an amount upto the first Rs. 10,000 of the compensation payable to me/us on the shares registered in the names of myself/ourselves and the deceased _____ on the 19th December 1954, by cheque drawn on the Reserve Bank.

5. (a) I / We request that in lieu of the compensation payable to me/us, shares of the State Bank of India may be transferred to me/us in accordance with the provisions of paragraph 5 of the Schedule referred to above. The shares of the State Bank of India may be transferred to me / us in the names2 of _____ to be held on the branch register at _____. If after adjusting the price of the State

Bank shares transferred to me/ us any balance is still due to me/us the same may be paid to me/us in the form of the Central Government security and/or cheque drawn on the Reserve Bank as provided in paragraph 4 of the Schedule referred to above read with Rule 6 of the State Bank (Compensation on Imperial bank shares) Rules, 1955, In this connection, I/we hereby declare that on transfer of the shares of the State Bank of India to my/our name(s) I/we agree to hold the shares on the terms and conditions to which they are subject under the State Bank of India and the Rules and Regulations made thereunder.

OR

(b) I/we do not wish to avail of the option to apply for transfer to me /us of shares of the State Bank of India in terms of paragraph 5 of the First Schedule to the State Bank of India Act, 1955.

6. I/We request that the interest on the Central Government security that will be issued to me / us may be made payable at

_____3

7. (a) Please deliver the Central Government security and the advice regarding the issue of the warrant for the transfer of State Bank shares and/or the cheque due to me/us by way of compensation to _____ 4

OR

1 This amount should not exceed Rs. 10,000

2 The name(s) to be stated may be that of one or more of joint applicants.

3 Here may be entered the name of any place in India where there is a treasury or sub-treasury.

4 Insert the word 'me' or the name of a bank or a recognized broker or one of the joint shareholders.

(b) Please send the Central Government security (uncut), the advice regarding the issue of the warrant for the transfer of State Bank shares and/or the cheque to _____3 at my /our risk by registered/insured post.

Yours faithfully, Witness: _____

_____

Address _____ _____ _____ Occupation _____

[Signature(s) of the shareholder(s)] Address _____ _____ _____

N.B. - Claimant's attention is invited to the instructions given below: 1. Please strike of unnecessary words or portions not applicable.

2. The options to obtain compensation upto the first Rs. 10,000 by cheque on Reserve Bank referred to in paragraph 4(a) above and to apply for transfer of the shares of the State Bank of India referred to paragraph 5(a) above can be exercised only on claims lodged on or before the 1st October, 1955.

3.If either of the alternatives (a) or (b) in paragraphs 4 and 5 above is not struck off before the claim is lodged, alternatives (a) will be deemed to have been struck off, and compensation will be paid on the basis that the claimant has opted for alternatives (b).

4. All claimants must sign the applications in accordance with the specimen furnished by them to the Imperial Bank.

5. Ladies signatures in any Indian language and all signatures by mark or thumb impression should be verified by a Justice of Peace preferably one whose signature is known to the State Bank, or by a Magistrate under the seal of his Court.

6. Where any person signs for and on behalf of an applicant, the relevant Power of Attorney or other document giving the person the necessary authority should accompany the application if it was not already registered with the Imperial Bank.

7. All alterations and/or additions in the application must be initialled by the applicant(s).

8. The application must be lodged-
(a) in the case of shareholders who immediately before the 1st July 1955, were registered as holders of shares on one branch register of the Imperial Bank, at the Local Head Office of the State Bank at the place where the said branch register was kept before that date; and
(b) in the case of shareholders who immediately before the before the 1st July 1955, were registered as holders of shares on more than one branch register of the Imperial Bank one of which was kept at Bombay, at the Local Head Office of the State Bank in Bombay, and in other cases, at the Local Head Office of the State Bank in Calcutta.

9. The application must be accompanied by the share certificate(s) issued by the Imperial Bank in respect of the shares for which compensation is claimed and all other documents and proofs entitling the applicants to claim the compensation.

FORM 'C'

[See Rule 4(1) (iii)]
Application for compensation by legal representatives of deceased shareholder(s).

THE MANAGER,
RESERVE BANK OF INDIA, _____1955 BOMBAY / CALCUTTA / MADRAS.

Dear Sir,

Claim for compensation in respect of Imperial Bank of India shares.

I/We1 _____

being the

_____2 to the

Estate of the late _____ here by state that _____ shares of

the Imperial Bank of India, distinguishing Nos.

_____, stood registered in the name/names of3

_____ since deceased, on the branch share

register of the Imperial Bank of India at Bombay, _____ shares, distinguishing Nos.

_____, on the branch share register at

Calcutta	and	_____	shares,	distinguishing	Nos.

_____on the branch share register at Madras.

2. I / We surrender herewith the relative share certificate/certificates and documents and proofs entitling me/ us to claim the compensation admissible in respect of the above shares under paragraph 2 read with sub-paragraph (1) of paragraph 4 of the First Schedule to the State Bank of India Act, 1955. I/we state that I am/we are the2

_____	of	the	deceased

shareholder(s) and, therefore, request that the said compensation may be paid to me/us.

3. I / We hereby declare that, apart from the above shares, the late

_____ did not

hold, immediately before the 1st July 1955, any shares of the Imperial Bank in his / their name / names. Nor, have I / we jointly, made any other claim for payment of compensation on any such share/shares of the Imperial Bank.

4. (a) Out of the shares specified in paragraph 1 above, _____

shares registered on the branch share register at _____

share registered on the branch share register at _____ and

_____shares	registered	on	the	branch	share	register	at

_____ stood registered in the name / names of the above deceased on the 19th December 1954. In terms of sub-paragraph (2) of paragraph 4 of the First Schedule referred to above, I/we wish to apply that, of the compensation payable to me/us on these shares, an amount4 of Rs.

_____(Rupees_____

_____) may be paid to me/us by cheque drawn on Reserve Bank.

OR

(b) I/We do not wish to receive an amount upto the first Rs. 10,000 of the compensation payable to me/us on the shares registered in the name/names of the above deceased on the 19th December 1954 by cheque drawn on the Reserve Bank.

5. (a) I/We request that in lieu of the compensation payable to me/us, shares of the State Bank of India may be transferred to me/us in accordance with the provisions of paragraph 5 of the Schedule referred to above. The shares of the State Bank may be transferred to me/us in the name/names of5

_____

1 Name/Names in full.

2 Here state the capacity in which the application is made, such as executor, administration or succession certificate holder

3 Name/Names in full as stated in the share certificate(s).

4 This amount should not exceed Rs. 10,000

5 The name(s) to be stated may be that of one or more of joint applicants.

_____ to be held on the branch register at _____. If, after adjusting the price of the State Bank shares transferred to me/us, any balance is still due to me/us, the same may be paid to me/us in the Schedule referred to above read with Rule 6 of the State Bank (Compensation on Imperial Bank shares) rules, 1955. In this connection, I/we hereby declare that on transfer of the shares of the State Bank of India to my/our name(s) I/we agree to hold the shares of the terms and conditions to which they are subject under the State Bank of India Act and the Rules and Regulations made thereunder.

OR

(b) I/We do not wish to avail of the option to apply for transfer to me/us of shares of the State Bank of India in terms of paragraph 5 of the First Schedule to the State Bank of India Act, 1955.

6. I/we request that the interest on the Central Government security that will be issued to me/us may be made payable at _____1

7. (a) Please deliver the Central Government security, the advice regarding the issue of the warrant for the transfer of State Bank shares and/or the cheque, due to me/us by way of compensation to _____2

OR

(b) Please send the Central Government security (uncut), the advice regarding the issue of the warrant for the transfer of State Bank shares and/or the cheque to _____ _3 at my/our risk by registered/insured post.

Yours faithfully,

Witness: _____ Address _____ _____ _____ Occupation _____

_____ [Signature(s) of the claimant(s)]

Address _____ _____ _____

N.B. - Claimant's attention is invited to the instructions given below:

1. Please strike of unnecessary words or portions not applicable.

2. The options to obtain compensation upto the first Rs. 10,000 by cheque on Reserve Bank referred to in paragraph 4(a) above and to apply for transfer of the shares of the State Bank of India referred to paragraph 5(a) above can be exercised only on claims lodged on or before the 1st October, 1955.

3. If either of the alternatives (a) or (b) in paragraphs 4 and 5 above is not struck off before the claim is lodged, alternatives (a) will be deemed to have been struck off, and compensation will be paid on the basis that the claimant has opted for alternatives (b). 4. All claimants must sign the applications.

5. Ladies signatures in any Indian language and all signatures by mark or thumb impression should be verified by a Justice of Peace preferably one whose signature is known to the State Bank, or by a Magistrate under the seal of his Court.

6. Where any person signs for and on behalf of an applicant, the relevant Power of Attorney or other document giving the person the necessary authority should accompany the application if it was not already registered with the Imperial Bank.

1 Here may be entered the name of any place in India where there is a treasury or sub-treasury. 2 Insert the word 'me' or the name of a bank or a recognized broker or one of the joint claimants.

7. All alterations and/or additions in the application must be initialled by the applicant(s).

8. The application must be lodged-

(a) in the case of shareholders who immediately before the 1st July 1955, were registered as holders of shares on one branch register of the Imperial Bank, at the Local Head Office of the State Bank at the place where the said branch register was kept before that date; and

(b) in the case of shareholders who immediately before the before the 1st July 1955, were registered as holders of shares on more than one branch register of the Imperial Bank one of which was kept at Bombay, at the Local Head Office of the State Bank in Bombay, and in other cases, at the Local Head Office of the State Bank in Calcutta.

9. The application must be accompanied by the share certificate(s) issued by the Imperial Bank in respect of the shares for which compensation is claimed and all other documents and proofs entitling the applicants to claim the compensation.

CONTERFOIL

Share Transfer Warrant

NO_____ Dated _____195 Issued in favour of _____ _____ No. of shares _____ Branch Register at _____

Initials_____

_____

FORM 'D'

[See Rule 5]

[Exempt from stamp duty under paragraph 5(3) of the First Schedule to the State Bank of India Act, 1955.]

RESERVE BANK OF INDIA, CENTRAL OFFICE, BOMBAY

Share Transfer Warrant

(Issued under paragraph 5 of the First Schedule to the State Bank of India Act, 1955)

NO_____	Dated _____195	to

Please	transfer	

_____

_____

_____share(s)	of	the	Face	Value	of	Rs.

_____

(Rupees _____) Of the State Bank of India out of the shares standing allotted to the Reserve Bank of India under sub-section (1) of section 5 of the State Bank of India Act,1955. The share(s) may be

registered	in	the	name(s)	of	the	transferee(s)	on	the	branch	register	at

_____.

For RESERVE BANK OF INDIA, State Bank of India _____ Share Transfer Department, Secretary
Bombay.

THE STATE BANK OF INDIA
(APPOINTMENT OF EMPLOYEE DIRECTORS) RULES, 1974

THE STATE BANK OF INDIA (APPOINTMENT OF EMPLOYEE DIRECTORS) RULES, 1974

'S.O.399 (E) – In exercise of the powers conferred by section 49 of the State Bank of India Act, 1955 (23 0f 1955), the central Government in consultation with the Reserve Bank, hereby makes the following rules, namely:-

CHAPTER 1 – Introductory

1. Short title and commencement –

(1) These rules may be called the State Bank of India (Appointment of Employee Directors) Rules, 1974.

2. Definitions – In these rules, unless the context otherwise requires –

(a) "Act" means the State Bank of India Act, 1955 (23 of 1955);

(b) "representative Union" means a Union registered under the Trade Unions Act, 1926 (16 of 1926), or a federation of such Unions, where such Union or federation, as the case may be, is certified after due verification as having the largest number of workmen employed in the State Bank as members who have regularly paid their dues to the Union or to any of the Unions constituting the federation:

Provided that no Union or federation as the case may be, shall be deemed for the purpose of these rules, to be a representative Union unless the verified membership of such Union or the Unions constituting the federation as the case may be, is fifteen per cent or more of the total number of workmen employed by the State Bank;

(c) "verification", with its grammatical variations and cognate expressions, means the verification by the Chief Labour Commissioner (Central) in accordance with the procedure specified in the Schedule appended to these rules;

(d) all other word and expression used herein and not defined but defined in the Act shall have the meaning respectively assigned to them in the Act.

CHAPTER II – Appointment of Employee Directors

3. Appointment of workmen-employee director – The director to be appointed by the Central Government on the Central Board in terms of clause (ca) of sub – section(1) of section 19 of the Act, from among the employees of the State Bank who are workmen, shall be appointed from out of a panel of three such employees furnished to it by the representative Union within a date to be specified by the Central Government, which date shall not be more than six weeks from the date of the communication made by the Central Government requiring the representative Union to furnish the panel of names;

Provided that –

(a) where the Central Government is of opinion that owing to the delay which is likely to occur in the verification and certification of any Union or federation as a representative Union, it is necessary in the interests of the State Bank so to do; or

(b) where there is no representative Union to represent such employees; or

(c) where such representative Union, being in existence, omits or fails to furnish any panel of names within the specified date; or

(d) where all the persons specified in the panel furnished by the representative Union are disqualified under section 22 of the Act, the Central Government may, at its discretion, appoint such workman employee of the State Bank as it may think fit to be such director who shall not hold office for more than six months at a time.

4. Appointment of non-workmen employee director - The director to be appointed by the Central Government, in terms of clause (cb) of sub- section (1) of section 19 of the Act, from among such of the employees of the State Bank as are not workmen shall be appointed by the Central Government from among such employees after consultation with the Reserve Bank.

THE SCHEDULE

[See rule 2(c)]

Procedure for verification of membership of Unions operating in the State Bank.

The management of the State Bank will be requested by the Chief Labour Commissioner (Central) to furnish the names and addresses of all the registered unions operating in the State Bank. The particulars of unions received from the management will be forwarded to the Regional Labour Commissioners concerned for checking up from the records of the Registrars of Trade Unions whether the registration of those unions is still in force and whether there are other registered unions operating in State Bank. The Regional Labour Commissioner concerned will report to the Chief Labour Commissioner (Central) the results of the checking. On receipt of this information, the unions will be requested by the Chief Labour Commissioner (Central) to furnish their membership claims in quintuplicate, in the enclosed proforma (Annexure I), by a specified date.

2. The registered unions will, thereafter, be allotted amongst Verification Officers for the purpose of physical verification of the membership. The Verification Officer will ask the unions (as in Annexure II) by Registered Post Acknowledgement Due to 1(produce before him at the stipulated place and time within ten days from the date of receipt of the first notice) a list of members, in triplicate, in different branches or offices of the State Bank, who have paid subscriptions for at least three month during the period of six

months preceding the date of reckoning which shall be first of the month in which the Central Government addresses the Chief Labour Commissioner (Central) to undertake the verification alongwith :

(i) Membership-cum-subscription register;

(ii) Counter-foils of receipts;

(iii) Cash and Accounts Book;

(iv) Bank books;

1 Subs. By Rule 2(i) of State Bank of India (Appointment of Employee Directors) (Amendment) Rules, 1976

(v) Copy of union's Constitution;

(vi) Registration Certificate;

(vii) Affiliation certificate and payment receipt if the union is affiliated to any all- India / State Federation/ Central Organisation;

(viii) Copy of the latest annual return submitted to the Registrar of Trade Unions;

(ix) List of office-bearers; and

(x) Minute book.

3. If a union fails to produce the list of its members and other records, a second and final notice will be given by Registered Post Acknowledgement Due asking it to1 (produce them at the stipulated place and time within ten days from the date of receipt of the second sand final notice). If the union again fails to produce them on the second occasion also, no further attempt will be made to verify its membership. However in respect of the unions which have submitted the lists and records the Verification Officer will examine them and ascer period of six months preceding the date of reckoning. This examination will be 100 per cent and will be done in the presence of the office-bearers of the union concerned but not in the presence of the office- bearers or representatives of a rival union. While doing the verification of membership the Verification Officer will give due consideration to any representation which the union officials might make to him.

4. The Verification officer will, thereafter, visit such branches or offices of the State Bank as may be necessary and ensure that the names of members thus verified and included in the list are borne on the rolls of the management on the date of reckoning will be eliminated from the list. All those members whose names are not borne on the rolls of the management on the date of reckoning will be eliminated from the list. The Verification Officer will also obtain the number of persons employed in the respective branches or offices of the State Bank on the date of reckoning at the time of his visit to the branches or offices of the State Bank.

5. The Verification Officer will, thereafter, intimate in writing to the unions or federations of unions concerned that the verified lists of their respective members in the State Bank are ready for inspection by the representative of the union, on the specified date, at an appointed time and place. The union will also at the same time be informed by him that after inspection of the verified list of members of the rival union (s), they should send in writing their specific objections, if any, to the entries in these lists, within 10 days (or a longer period if the number of objections is likely to exceed 10,000 on the basis of one additional day for every 2,000 objections over and above 10,000) of the specified date referred to above. It should be made clear to the unions that general and vague objections like inflated membership etc. will not be considered; the objections should give names of persons whose membership of a union is objected to and the reasons therefor.

(The representative of the union will be allowed to make notes from the verified lists shown to them in the presence of the Verification Officer; they will, however, not be allowed to take any of the lists, nor a copy of the lists will be given to them.)

6. The objections received from the unions will, then be verified by personal interrogation by the Verification Officer of the members on the basis of the following systematic1 sampling system –

(i) If the objections list furnished by a union consists of 500 or less name members, the number of persons to be personally interrogated should be 20 per cent. Subject to a minimum of 100;

(ii) If the objection list furnished by a union consists of more than 500 but not more than 1,000 names, the number of person to be personally interrogated should be 15 per cent.

subject to minimum of 100;

(iii) If the objection list furnished by a union consists of more than 1,000 but not more than 2,000 names, the number of persons to be personally interrogated should be 10 per cent. subject to minimum of 150.

(iv) If the objection list furnished by a union consists of more than 2,000 but not more than 5,000 names, the number of persons to be personally interrogated should be 5 per cent. subject to minimum of 200; and

(v) If the objection list furnished by a union consists of more than 5,000 names, the number of persons to be personally interrogated should be 2 per cent. subject to minimum of 250.

The persons selected for personal interrogation should, among other things, be asked whether they are members of a particular union and whether they had paid subscriptions for three months within a period of six months from the date of reckoning and, if so, the amount of subscription paid, the months for which it was paid and other matters relevant for the purpose, the Verification Officer will maintain a list of members personally interrogated giving their ticket numbers, names of section where working , the result of personal interrogations, etc.

7. Where the sample check reveals that certain members interrogated deny membership of union its list of members will be modified proportionately. For example, if on checking the records, it is found that a union has 2,000 valid members and the rival union objects saying that the first mentioned union has 800 members, a 15 per cent sample of the letter has to be drawn, that is 120 persons have to be interrogated personally. If on personal interrogation it is found that 30 of the 120 persons (that is 25 per cent) deny membership of the Union, the strength of the union will be reduced by 25 per cent of 800

1 A systematic sampling system means sampling from a list by taking individuals at equally spaced intervals called sampling intervals. The sampling interval should be:
Total number of person in the objection list
Number of persons in the sample –
Thus for example, if there are 400 workers in the objection list and sample of 100 workers in to be select, the Verification officer should select every (200/100th) or 4th worker in the list. It is however, not necessary that in all cases the selection should begin from the 4th name in the list; the first sample may either be the 1st name in the list

or the second or the third or the fourth. Thus, for example if the first name is selected as the first sample, then , subsequent samples will be 5th , 9th ,13th etc. names; if however the second name is taken as the first sample, the subsequent sample would be 6th , 10th ,14th etc. name the list.

persons whose membership was objected to, that is, by 200. In other words, the final

strength of the union will, in this case, be 1,800 [2,000 – (25 per cent of 800) – 1,800].

If the person who, on interrogation deny their membership of union claiming them

as their members, inform the Verification Officer that they are members of a rival union,

the Verification Officer will check their membership with the list of members and records

of that union and adjust its list accordingly, that is their names will be added to the list of

the rival union if they are not already include in it and excluded, in the manner mentioned

above, from the list of claimant union.

8. While conducting personal verification as mentioned in paragraph 6 above, the

Verification officer will not allow the representatives of any union or management to be

resent.

9. On completion of the verification work, the Verification Officer will furnish a

report to the Chief Labour Commissioner (Central).

ANNEXURE I

Proforma Showing Particulars of Union Functioning in State Bank

Sr. no	Name and address of the union	Registration No. and date of Registration	Whether the union is a primary or federating unit	Affiliation		Claimed membership			Name of the President, General Secretary and Treasurer of the union with their postal address	Remark
				Central Organi sation	State/A ll India Federat ion	Name(s) of the branch or Office of the State Bank in which the union is operating	Membership in each branch or office			
							Workmen	Other than workmen		
1	2	3	4	5	6	7	8	9	10	11

ANNEXURE II

First Notice

By Registered Post Acknowledgement Due Second Notice

GOVERNMENT OF INDIA

(Department of Labour and Employment)

Office of the …… ……Dated the……..

To

The General Secretary,

……

…….

Subject: Verification of membership of unions operating in the State Bank. Dear Sir,

I am to invite a reference to the procedure for verification of membership of unions operating in the State Bank (copy enclosed) as specified in the Schedule to the State Bank of India(Appointment of Employee Directors)Rules, 1974 and to request you to furnish :- (i) a list of membership of your union as on ……. showing the name of each member, designation, branch or office where working and whether workman or other than workman employee. The list should contain only the names of those members who have paid at least three months subscription during the period of six month ending with…….; and

(ii) (a) Membership-cum-subscription register;

(b) Counter-foils of receipts;

(c) Cash and Accounts Books;

(d) Bank books;

(e) Copy of union's constitution;

(f) Registration Certificate;

(g) Affiliation certificate and payment receipt if the union is affiliated to any all- India/ State Federation/ Central Organization

(h) Copy of the latest annual return submitted to the Registrar of Trade Unions;

(i) List of office-bearers; and

(j) Minute book,

at …… hrs. on…….. (date) at…… (Place).

12. It may please be noted that in case the required documents are not produced on the above fixed date, no further attempts will be made to verify the membership of your union.

Kindly acknowledge receipt of the letter.

Yours faithfully,
Assistant Labour Commissioner (C)
Labour Enforcement Officer (C)

Copy forward for information to ;-
2(1) The president (name and address of the union).

2(2) The Treasure (Name and address of the union).

(3) Regional Labour Commissioner…… (4) Chief Labour Commissioner (Central), New Delhi

Assistant Labour Commissioner (C)
Labour Enforcement Officer (C)

1 For second notice.
2 By name

THE STATE BANK OF INDIA
ADMINISTRATOR (SALARY AND ALLOWANCES) RULES, 2013

THE STATE BANK OF INDIA ADMINISTRATOR (SALARY AND ALLOWANCES) RULES, 2013

In exercise of the powers conferred by sub-section (1) read with clause (e) of sub-section (2) of section 49 of the State Bank of India Act, 1955 (23 of 1955), the Central Government in consultation with the Reserve Bank, hereby makes the following rules, namely:-
1. Short title and commencement.- (1) These rules may be called the State Bank of India Administrator (Salary and Allowances) Rules, 2013.

(2) They shall come into force on the date of their publication in the Official Gazette1.

2. Definitions. - (1) In these rules, unless the context otherwise requires,- (a)"Act" means the State Bank of India Act, 1955 (23 of 1955);
(b) "Administrator" means an Administrator appointed under sub- section (2) of section 24A of the Act;
(c) "Committee" means a Committee constituted under sub-section (5) of section 24A of the Act;
(d)"Form" means the form appended to these rules;
(e)"Member" means a member of the Committee constituted under sub-section (5) of section 24A of the Act.

(2) All other words and expressions used and not defined in these rules but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Salary and Allowances. - (1) The Administrator shall be entitled to such salary and allowances as are available to a Secretary to the Government of India.

(2) A member shall be entitled to such salary and allowances as are available to a Joint Secretary to the Government of India:

1 In view of the Notification G.S.R.476(E) dated 11th July, 2013 of the Ministry of Finance, Department of Financial Services, the Rules are ppublished in the Gazette of India, Extraordinary, Part II- Section 3- Sub-section (i), dated July 11, 2013.

Provided that the Central Government shall have the power to fix the salary and allowances of the Administrator or a member in a higher scale in appropriate case:

Provided further that if a member is already in service under the Central Government or any local body or authority owned or controlled by the Central Government and is in receipt of salary from such Central Government, local body or authority, such member shall be paid such fee and allowances as may be determined by the Central Government for attending meetings of the Committee.

4. Residuary provision. - Any matters relating to the conditions of service of the Administrator and the members with respect to which no express provision has been made in these rules shall be as determined by the Central Government.

5. Oaths of office and secrecy. - The Administrator and every member shall, before entering upon his office, make a declaration of fidelity and secrecy in the Form appended to these rules.

FORM

(*See* rule 5)

Declaration of Fidelity and Secrecy

I..... .....do hereby declare that I will faithfully, truly and to the best of my skill and ability execute and perform the duties required of me as Administrator/ Member (as the case may be) of the State Bank and which properly relate to the office or position in the said State Bank held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the State Bank or to the affairs of any person having any dealing with the State Bank; nor will I allow any such person to inspect or have access to any

books or documents belonging to or in the possession of the State Bank and relating to the business of the State Bank or any information relating to or to the affairs of its constituents.

***

THE STATE BANK OF INDIA
COMMITTEE (PROCEDURE) RULES, 2013

THE STATE BANK OF INDIA COMMITTEE (PROCEDURE) RULES, 2013

In exercise of the powers conferred by sub-section (1) read with clause (d) of sub-section (2) of section 49 of the State Bank of India Act, 1955 (23 of 1955), the Central Government in consultation with the Reserve Bank, hereby makes the following rules, namely:-
1. Short title and commencement. - (1) These rules may be called the State Bank of India Committee (Procedure) Rules, 2013.

(2) They shall come into force on the date of their publication in the Official Gazette1.

2. Definitions. - (1) In these rules, unless the context otherwise requires,- (a)"Act" means the State Bank of India Act, 1955 (23 of 1955);
(b) "Administrator" means an Administrator appointed under sub- section (2) of section 24A of the Act;
(c) "Committee" means a Committee constituted under sub-section (5) of section 24A of the Act;
(d)"Member" means a member of the Committee constituted under sub-section (5) of section 24A of the Act.

(2) All other words and expressions used and not defined in these rules but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Meetings of the Committee. - (1) The meetings of the Committee shall be convened by the Administrator at least once in every month:
Provided that the Administrator shall have the right to convene additional meeting of the Committee at any time.

(2) The meetings of the Committee shall be held at the Central Office of the State Bank, or at such other place as the Administrator may decide.

1 In view of the Notification G.S.R.477(E) dated 11th July, 2013 of the Ministry of Finance, Department of Financial Services, the Rules are ppublished in the Gazette of India, Extraordinary, Part II- Section 3- Sub-section (i), (page.5) dated July 11, 2013.

(3) Seven days notice shall be given for each meeting of the Committee, and such notice shall be sent to every member at his registered address and registered e-mail address:

Provided that the Administrator may convene an emergency meeting of the Committee, by giving at least twenty-four hours notice.

(4) The Administrator shall be entitled to decide the Agenda and such other matters which are to be discussed at a meeting of the Committee.

(5) The Administrator shall be entitled to seek the assistance of any person having knowledge or experience in such matter to facilitate the Committee to discharge its functions.

(6) A copy of the proceedings of each meeting shall be circulated as soon as possible thereafter for the information of the Members..

4. Quorum. - Three members shall form a quorum for the transaction of business of the Committee:

Provided that in the absence of Quorum, the Administrator shall consult the members present and take a decision either to conduct or adjourn the meeting.

5. Residuary provision. - Any matter with respect to which no express provision has been made in these rules or relating to interpretation of these rules shall be referred to the Central Government for its decision and the decision of the Central Government thereon shall be binding on the Administrator.

***

Ajith\Law\CC\27.07.2017