

STATE BANK OF INDIA GENERAL REGULATION, 1955

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SCHEDULE 1 :- SCHEDULE

STATE BANK OF INDIA GENERAL REGULATION, 1955

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 1

Introductory

1. Short title and commencement :-

(1) These regulations may be called the State Bank of India

General Regulations, 1955.

(2) They shall come into force on the appointed day.

2. Definitions :-

In these regulations unless there is anything repugnant in the subject or context,-

(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.

CHAPTER 2

Shares and Share Registers

3. Shares moveable property :-

The shares of the State Bank shall be moveable property.

4. Control over shares and branch registers :-

(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 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.

5. Parties who may not be registered as shareholders :-

(1) Except as otherwise provided 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 specified in section 13 of the Act, the following particulars shall be entered in the principal register as well as the branch registers:

(i) the manner in which each shareholder acquired his share or shares, and except in the case of allotment of shares to the Reserve Bank under sub-section (1) of section 5 of the Act, the name of the previous holder and the register on which the share was last entered;

(ii) 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;

(iii) when any person ceases to be a shareholder, the name of the person in whose favour and the register to which the 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) 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 purposes of the Act and these regulations.

7. Exercise of rights of joint holders :-

If any share stands in the name of two or more 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, be deemed the sole holder thereof.

8. Areas of the various registers :-

[(1) The Branch Registers kept at the Local Head Offices specified in column I below shall contain particulars of the shareholders whose registered addresses are within the areas respectively specified in column 2. ²[.....], West Head Office, Calutta. Bengal, ²[.....], ²[.....], ²[.....], ²[.....], and Sikkim and the Union Territory of ²[.....], ²[.....], the Andaman and Nicobar Islands. ⁹[Faridad], Gurgaon and Soncpat), Himachal Pradesh, Jammu and Kashmir and Punjab and the Union Territories of Chandigarh. ¹⁰[(vii) The Branch Register The States of Assam, Nagaland Manipur, Meghalaya, Tripura and the Union Territories of Mizoram and Arunachal Pradesh.] (viii) The Branch Register at the The State of Andhra Pradesh. Head Office, Hyderabad. (ix) The Branch Register at the The Central and Eastern Zones of the Local Head Office, State of Uttar Pradesh as defined in-sub- Kanpur. ¹¹regulation(3). (x) The Branch Register at the The States of Kerala, Karnatka and Local Head Office, Madras. Tamil Nadu and the Union Territories of pondicherry and Lakshadweep. (xi) The Branch Register at the The State of Rajasthan and Western Local Head Office, New Delhi. Zone of the State of Uttar Pradesh as defined in sub-section (3) and the District of ³[Faridabad], Gurgaon and Sonapat in the State of Haryana and the Union Territory of Delhi. (xii) The Branch Register at the The State of Bihar.) Local Head Office, Patna.

(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.

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

(2) 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 at that State as defined in clause (a).]

1. Subs. by Resn. C.B.S.B.I, dt. 14-11-1980.

2. The words 'Assam', 'Nagaland', Manipur, Tripura, 'Meghalaya', Mizoram and 'Arunachal Pradesh' respectively stand deleted with effect from 29-4-1981.

9. Subs. by Resn. C.B.S.B.I. dated 14-11-1980.

10. 'Kanpur' will read as 'Lucknow' from the date the Local Head Office is shifted from Kanpur to Lucknow.

11. Subs. by Resn. C.B.S.B.I. dated 17-7-1964.

9. Inspection of registers :-

(1) The principal register or any branch register shall, except when closed under the provisions of 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 restriction 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 on pre-payment therefor at the rate of eight annas for every hundred words or fractional part thereof required to be copied.

10. Closing of share registers :-

(1) The Central Board may close the principal register or any one or more of the branch registers from time to time for such periods, not exceeding four weeks at any one time, as shall, in its opinion, be necessary.

(2) A notice of the closing of a share register shall be published in the Gazette 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.

11. Share certificates :-

(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 it is issued.

(2) The share certificates in respect of shares issued under subparagraph (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.

12. Issue of share certificates free of charge :-

(1) A shareholder shall be entitled to one certificate for each five

shares registered in his name on any one occasion, and one additional share certificate for the number of shares in excess of a multiple of five shares.

(2) If the number of shares to be registered is less than five, one certificate shall be issued for all the shares.

¹ [(3) If any shareholder requires more certificates than the number to which he is entitled under this regulation, the Local Board may have such additional certificates issued, at its absolute direction.]

(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.

1. Subs. by Resn. C.B.S.B.I dated 20-11-1964.

13. Renewal share certificates :-

(1) If any share certificate is worn out or defaced or tendered for sub-division, then upon production thereof to the Local Board concerned, such Local Board may order the same to be cancelled, 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 Local Board concerned may consider satisfactory and upon such indemnity with or without security as the Local Board 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.

¹ [(3) * * * * *]

1. Omitted by Resn. C.B.S.B.I. dated 20-11-1964.

14. Warrant for transfer of State Bankshares :-

The warrant issued by the Reserve Bank directing a transfer of shares of the State Bank in pursuance of the provisions of subparagraph (2) of paragraph 5 of the First Schedule to the Act shall be in the following form :- [Exempt from stamp duty under paragraph 5 (3) of the First Schedule to the State Bank of India Act, 1955.]

15. Transfer of shares :-

(1) Without prejudice to the provisions of Regulation 14, every 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 "the transferee(s)"] do hereby transfer to the transferee(s). share/shares of the State Bank of India numbered and registered in the Branch Register at..... 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 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.

(2) The instrument of transfer of any share shall be submitted to the Local Board concerned and shall be signed by the transferor and the transferee, and the transferor shall be deemed to remain 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.

(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.

16. Power to refuse or suspend transfers :-

(1) A Local Board may decline to register any transfer of shares

unless :-

1 [(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 transferor to make the transfer;

(c) it is satisfied after such enquiry 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, and that on registration of transfer, the transferee will not be registered on more than one register.

2 [(2) * * * *]

(2)] A Local Board may suspend the registration of transfer during any period in which the registers are closed.

1. Deleted by Resn. C.B.S.B.I., dated 20-11-1964.

2. Sub-section (2) deleted and sub-regulation (3) re-numbered as sub-regulation (2) by Resn. C.B.S.B.I., dated 22-1-1959.

17. Transfer of name to another branch register :-

(1) If a shareholder wishes to have the shares registered in the 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 share to be transferred are entered and that Local Board shall, if it is satisfied that on the registration of such transfer, the applicant 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.

1 [(2) * * *]

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

18. Lien on shares :-

(Deleted by Resn. C.B.S.B.I. dated 22-1-1959) *]

19. Transmission of shares in (he event of death insolvency etc. of a share holder :-

(1) The executors or administrators of a deceased sole holder of a share, or the holder of a succession certificate issued under

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 .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 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 letter's life-time, shall be the only person who may be recognised by the State Bank as bearing 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 letter of administration or other legal representation a the case may be 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: Provided nevertheless that in any case where the Local Board concerned shall in its absolute discretion think fit, it shall be lawful for such Local Bold 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.

(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 Local Board concerned may require, have the right-

(a) to be registered as a shareholder in respect of the share upon his satisfying the Local in the same manner as if he were the proposed transferee under regulation 16 that he is qualified to be registered as a shareholder and that, on registration he will not be registered on more than one register, or

(b) to make such transfer of 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 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 the Local Board concerned.

(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 so 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 shall determine which of such shares shall be deemed to constitute such excess and shall inform the shareholder or, where such excess is 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 sale of such share and shall make entry in the register to that effect.

(3) A determination of the Local Board under sub-regulation (2) shall be conclusive.

CHAPTER 3

Meetings of Shareholders

21. Notice convening a general meeting :-

(1) A notice convening a general meeting of the shareholders signed by the Chairman or the Vice-Chairman shall be published at least twenty-eight days before the meeting in the Gazette of India and also in each of the areas served by the various registers by the various registers by publication in at least two principal daily newspapers circulating in that area.

(2) Every such notice shall state the time, date and place of such meeting business that shall be transacted at the meeting.

22. Special general meeting :-

(1) The Chairman shall convene a special meeting of shareholders, if so directed by the Central Board, or if a requisition for such a meeting has been received either from the Reserve Bank or from

other shareholders holding shares carrying, in the aggregate, not less than 20 percent 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 meeting convened on requisition by the Reserve Bank 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) 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 Reserve Bank 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, on 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 :-

No business shall be transacted at any meeting of the shareholders whether it is the annual general meeting or any special general meeting unless a quorum of at least five shareholders consisting of the Reserve Bank represented by a proxy or by a duly authorised representative 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 shall form a quorum; Provided that no annual general meeting shall be adjourned to a

date later than ¹ [three months] after the 31st December and if adjourn- ment 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 meeting 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 at web time shall form a quorum.

1. Subs, by Resn. C.B.S.B.I, dt. 18-7-1958.

25. Chairman at general meeting :-

(1) The Chairman or 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.

(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 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 directors, members of the Local Board 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 Reserve Bank, 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

(a) his full name and registered address;

(b) the denoting numbers of his shares and the branch register on which these are entered;

(c) where 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) 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 be 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.

27. Voting at general meetings :-

(1) Save as otherwise provided in section 24 of the Act, 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 Reserve Bank 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 the 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 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.

29. Local meetings :-

(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 share-holders holdings, 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.

(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 director authorised by the 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 authorisation 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 4 shall, so far as may be, apply to local meeting of the shareholders on a branch register as they apply to general meetings:, Provided that references in the said provisions to shareholder shall be deemed to be references to shareholders on the branch register.

CHAPTER 4

Voting Rights of Shareholders

30. Definition :-

In these regulations "company" means a body corporate either incorporated under the 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 the Reserve Bank, and a Co-operative Society.

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 five shares held by him.

(2) Every shareholder entitled to vote as aforesaid who, riot being a com- pany, 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 on a show of hands and in case of a poll shall have one vote for each five shares held by him for the whole period of three months prior to the date of such meeting.

32. Voting by duly authorised represntative :-

(1). A shareholder, being a company, may 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 a "duly authorised representative" in these regulations) shall be entitled to exercise the same powers on behalf of the com- pany which he represents, as if he were an individual shareholder of the Stale Bank. The authorisation so given may be in favour of two persons in the alter- native 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 at 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.

33. Voting by duly authorised representative precludes voting by proxy :-

No shareholder, being a company, shall vote by proxy so long as a 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.

34. Proxies :-

(1) No instrument of proxy shall be valid unless in the case of an individual 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 branch register or his attorney duly authorised in writing or to 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 an Officer of the Reserve Bank or the State Bank.

(2) No person shall be appointed as a proxy unless he is entitled to attend the general meeting otherwise than as a proxy, provided that this sub-regulation shall not apply to a proxy appointed by a company.

(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 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.

(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 branch register at,do hereby appoint,of..... (or failing him.of.....(as my/our proxy to vote for me/us and on 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 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 share 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 duly authorised representative or 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.

CHAPTER 5

Election of Directors and Members of Local Boards

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 21 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.

37. Directors to be elected at general meetings and Local Board members at local meetings :-

(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 member of a Local Board ¹ [(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 the respect of which the election is to be held.]

1. Subs. by Resn. C.B.S.B.I., dated 25-11-1964.

38. List of shareholders :-

(1) For the purpose of election of a director under clause (c) of sub-section (1) of 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 a member of a Local Board under clause (d) 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.)

39. Nomination of candidates for election :-

(1) No candidate for election as a Director or a member of a Local Board shall be validly nominated unless-

(a) he is, on the last date for receipt of nominations, not disqualified to be director or a member of a Local Board, as the case may be, under section 22 of the Act;

(b) the nomination is in writing signed by at least two shareholders qualified to vote, whose names are entered on ¹[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, or by their duly constituted attorneys, provided that a nomination by a 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 despatched to ¹[the central office 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, 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 officers of the Reserve Bank or the State Bank, that he accepts the nomination, and is willing to stand for election, and that he is not dis- qualified forelection under section 22 .

(2) No nomination shall be valid unless it is received, with all the connected documents or papers, in ³ [the central office or as the case may be] the Local Head Office of the State Bank in which the meeting is to be held on a working day, not less than 14 clear days before the date fixed for the meeting.

1. Ins. by Resn. C.B.S.B.I., dt. 20-11-1964.

3. Ins. by Resn. C.B.S.B.I., dt. 20-11-1964.

40. Publication of lists of candidates :-

(1) On the first working day follow- ing the last date fixed for the receipt of nominations, the same shall betaken into consideration by the Managing Director in the case of election of a Director and by the Secretary of the Local Board at the place where the meeting is to be held in the case of election of a member of a Local Board; the Managing Director or the Secretary as the case may be 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 or the Secretary 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, t he candidate validly nominated for such vacancy ¹[shall be deemed to be elected forthwith] and his name and address shall bepublished as so elected. ¹[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 or the Secretary shall cause to be published the names and addresses of candidates validly nominated for such vacancy.

³[(2) All notices in pursuance of sub-regulation (1) shall be published in the Gazette of India and in at least two newspapers

circulating, in the case of election of a Director in each of the areas served by the various branch registers and, in the case of election of a member of a Local Board in the area served by the branch register from which the election is held.]

(3) The [Managing Director or] the Secretary⁴ [as the case may be] shall send a copy of every such notice issued by him to the Chairman forthwith.]

1. Sub. by Resn. C.B.S.B.I, dt. 25-11-1970.

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

4. Ins. by Resn. C.B.S.B.I, dt. 20-11-1964.

41. Assumption of office by the elected candidate :-

A Director or a member of a Local Board elected to fill an existing vacancy shall be deemed to have assumed office from the date following that on which he is, or is deemed to be, elected.

42. Election disputes :-

(1) If any doubt or dispute shall arise as to the qualification or disqualification of a person deemed, or declared to be elected, or as to the validity of the election of a Director or member of a Local Board, 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 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 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) of sub-section (1) 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 6

Central Board and its Executive Committee

43. Allocations of elected directors to various areas :-

Deleted by resn C.B. S. B.I.dated 20- 11-1964.

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, 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 the receipt of the requisition.

(3) Meeting 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 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 week's notice has been given of the same in writing to the Chairman.

¹ [(6) Five directors, of whom not less than two shall be directors holding office by virtue of clause (bb) of sub-section (1) of section 19 of the Act and one director elected under clause (o) or nominated under clause (d) of that subsection, 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.

1. Subs. by Resn C. B. S. B. I. dated 20-11-1964.

45. Resolution without meeting of Central Board valid :-

(1) A resolution in writing 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

(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. (1) Constitution and powers of the Executive Committee :-

(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.

(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 be held weekly, sufficient notice being given to the directors on the Executive Committee to attend the meeting.

(2) Four directors, of whom not less than two are directors [holding office by virtue of clause (bb)] of sub-section (1) of section 19 of the Act [or elected under clause (c)] or nominated under clause (d) of that sub-section shall form a quorum for the transaction of business: ¹ [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 a meeting of the Executive Committee, or while some particular business is being transacted by the Executive Committee, and in consequence there

of 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 (holding office by virtue of clause (bb) or) elected under clause (c) or nominated under clause (d) of sub-section (1) of section 19 of the Act.]

(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 meeting of the Central Board.

1. Ins. by Resn. C.B.S.B.I. dt. 18-7-1958.

CHAPTER 7

Local Boards and Their Committees

48. Constitution of Local Board :-

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49. Term of office of Local Board members :-

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50. Casual vacancies :-

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51. Presidents and Vice-Presidents of Local Boards :-

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52. Meetings of Local Boards :-

(1) Meetings of a Local board shall be convened by the secretary 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.

¹[(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.

[(3) Deleted by Resn. C.B.S.B.I. dated 20-11-1964.

(4) The ² [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.

(6) All questions at a meeting of the Local Board shall be decided by a majority of the 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 thy 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.

1. Subs. by Resm C.S.B.I. dated 20-11-1964.

2. Subs. by Resn. C.B.S.B.I. dated 22-3-1974 (1-7-1974).

53. Adoption of resolution by Local Board by circulation :-

(1) A resolution in 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 aforesaid, 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.

54. Powers of Local Boards :-

Delected by Resn. C.B.S.B.I. dated 20-11-1964.

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 exer- cise all the powers

of the State Bank in respect of the staff serving in the areas in its jurisdiction.

¹(2)

(a) The initial appointments and promotions to various categories of employees in the Bank shall be made-

(i) in the case of officers and employees starting on a pay lower than the starting pay in the scale applicable for the time being to Officers Grade II, by such authorities in the State Bank as may be specified, where the appointment or promotion is for service in the Circle, by the ¹(Chief Manager) concerned, and where the appointment or pro- motion is for service in or under Central Office, by the Managing Director;

(ii) in the case of Officers Grade II and Grade I and of other employees to whom the Rules of Service applicable to Offi- cers Grade II or Grade I generally apply with or without modifications, by the ³ (Chief General Manager) concerned or the Managing Director according as the appointment or promotion is for service in the Circle or in or under Central Office;

(iii) in the case of staff Officers of various grades and of other employees to whom the Rules of Service applicable to Staff Officers generally apply with or without modifications by the Managing Director;

(iv) in the case of Senior Staff Appoinments and of employees to whom Rules of Service applicable to Senior Staff Appointments generally apply with or without modifications, by the Executive Committee; Such officers or employees shall not be dismissed from service of the State Bank by an authority lower than the appointing authority.

(b) The salary and other emoluments to be granted to Officers and other employees with a starting pay equivalent to or higher than the starting pay in the scale applicable for the time being to Officers Grade II, shall be as laid down in Rules of Service approved by the Central Board and, where no such rules have been laid down, as fixed by the Executive Committee.

(c) [* * * * *]

(d) The power to grant pensions to officers and other employees leaving the service of the State Bank, other than pensions provid-

ed for under the rules of the pension funds respectively applicable to them, shall be reserved to the Central Board.

(e) The grant of gratuities or other financial assistance, either temporary or permanent, to widows, children or other dependants of deceased officers or other employees shall be made by the Executive Committee of the Central Board except where the grant of any such gratuity or financial assistance is authorised by

1. Subs. by Resn. C.B.S.B.I. dated 11-7-1972.

3. Subs. by Resn. C.B.S.B.I. dated 29-3-1974.

56. Constitution and powers of the Committee of the Local Board :-

(1) There shall 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, the Vice-Chairman of the State Bank, if the Vice-Chairman is a member of such Local Board), the President (or, if for any reason he does not attend, the Vice-President¹[the¹ (Chief General Manager) of the Local Head Office] and any two members to be elected as equally as possible in rotation from among the members (both elected and nominated) 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.

1. Subs by Resn. C.B.S.B.I., dated 2-1-1958.

57. Meetings of the Committee of the Local Board :-

(1) The meetings of the 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 8

Remuneration of Directors and Local Board Members

58. Chapter VIII not to apply to Chairman and Vice-Chairman :-

The provisions of this Chapter shall not apply to the Chairman or the Vice Chairman.

59. Fees for Directors, etc :-

(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 meetingsRs. 150 for each meeting. of the Central Board

(b) For attending meetingsRs. 40 for each meeting. of the Executive Committee

(c) For attending to any Such sum as the Central other work of the State Board may fix from time to Bank time having regard to the nature and amount of work involved.

(2) A Local Board member not being a Managing Director ¹[or the ² (Chief General Manager) of 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 meeting of Rs. 40 for each meeting. the Local Board

(b) For attending meeting of Rs. 30 for each meeting the Committee of Local Board

(c) For attending to any Such sum as the Central other work of the State Board may fix from time to Bank time having regard to the nature and amount of work involved.

1. Ins. by Resn. C.B.S.B.I. dated 20-11-1964.

2. Subs. by Resn. C.B.S.B.I. dated 29-3-1974 (w.e.f. 1-7-1974).

60. 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 travelling in connection with the work of the State Bank shall be reimbursed his travelling 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 travelling and halting allowances shall be payable to a director or member of a Local Board referred to in that sub-regulation for attending a meeting of the Executive Committee or a Committee of the Local Board ¹ [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.]

1. Ins. by Resn. C.B.S.B.I. dated 20-11-1964.

2. Subs. by Resn. C.B.S.B.I. dated 29-3-1974 (w.e.f. 1-7-1974).

CHAPTER 9

Loans and Advances

61. Definitions :-

In this Chapter, unless the context otherwise requires.

(a) "indebtedness to the State Bank" means-

(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 therefor, whichever may be higher. but does not include indebtedness against specified security;

(b) "loan or advance" include? credit facilities extended by way of discount of usance bills, purchase of demand bills, acceptance of bills, or issue of letters of credit and guarantee or indemnities.

(c) "relative" means the person specified in the schedule 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 instrument 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 of borrowers:

(e) "substantial interest" shall have the same meaning as in clause (nc) of S.5 of the Banking Regulation Act, 1949.

62. Limit on Local Boards powers to grant loan or advance

:-

A Local Board shall not without the sanction of the Central Board or the Executive Committee, grant or renew a loan or advance-

(a) 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 exceed rupees one crore, and

(b) to any other borrower, an amount which would make the borrower's indebtedness to the State Bank exceed rupees five 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 two crores.

63. Loan or advance beyond rupees one crore to be reported to Executive Committee :-

A loan or advance granted by any authority which makes the borrower's indebtedness to the State Bank exceed rupees one crore shall be reported as soon as possible to the Executive Committee.

64. Directors and members of Local Boards to notify their interests in firms, 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;

(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 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, etc :-

Save and except against specified 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 loan or advance to-

(a) a relative of his;

(b) an individual in respect of whom a relative is a partner or guarantor ;

(c) ajoint family in which a relative is a member ;

(d) a firm in which a relative is a partner, or 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-

(a) to the Chairman, the Vice-Chairman 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.

68. Members of Local Boards not to participate in proceedings in which they are interested :-

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69. Prior approval of Executive Committee necessary to grant of loans to joint stock companies of which Local Board members are director :-

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70. Advances to officers and employees of the State Bank :-

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71. Advances at lower rates :-

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72. Suspense Accounts :-

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73. Accounts of investments in Government securities :-

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74. Weekly statement of affairs :-

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CHAPTER 10

Miscellaneous

75. Manner and form in which contracts binding on the State Bank may be executed :-

(1) Contracts on behalf of the State Bank may be made as follows :-

(i) any contract which, if made between private persons, would be by law required to be in writing signed by the parties to be charged therewith, maybe made on behalf of the State Bank in writing signed by any person acting under its authority express or implied, and may in the same manner be varied or discharged ;

(ii) any contract 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 there- to and their legal representatives.

76. Accounts, receipts and documents of State Bank by whom to be signed :-

¹[(1) The Vice-Chairman, the Managing Directors, ²[the Deputy Managing Directors), the ³ (Chief General Managers) and such other officers or 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 limitations if any. as the Central Board or the Executive Committee may specify or impose in so authorising, are hereby severally 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

(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 be deemed in any way to affect the provisions of the Imperial Bank of India Act, 1920, nor 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, 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.

1. Subs. by Resn. C.B.S.B.I., dt. 25-11-1970.
2. Ins. by Resn. C.B.S.B.I., dt. 30-11-1973.
3. Subs. by Resn. C.B.S.B.I., dt. 29-3-1974 (w.e.f. 1-7.1974).

77. Complaints, etc. by whom to be signed :-

Complaints, written statements, petitions, and applications 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.

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.

79. Obligation 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 facts as well as the date from which the disqualification became applicable to him, to the Chairman

(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 disqualifications specified in section 22 of the Act.

80. seals of the State Bank :-

(1) The common seal of the State Bank shall not be affixed to any instrument except in the presence of at least three directors (one of whom shall be the Chairman, Vice-Chairman 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 Calcutta, Madras and Bombay, 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 duly 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 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.

(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 maybe determined by the Local Board.

(6) Without prejudice to the generality of the foregoing sub-regulation, an official seal may be affixed by a Local Board to instrument 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) Instrument 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 attorneys 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 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, prepaid 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 branch 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.

82. Service of notice on State Bank :-

A notice may be served on the State Bank by leaving it at, or sending it by post to, any Local Head Office of the State Bank.

82A. Returns under Section 40 of the Act :-

* * *]

83. Payment of dividend :-

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[(1) An account of the profits of the State Bank shall be taken ² (as on) or after the thirty-first day of December 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.

(3) Any one of several persons who are registered as joint holders of any share may give effectual receipt 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.

(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.

1. Subs. by Resn. C.B.S.B.I, dated 22-1-1959.
2. Subs. by Resn. C.B.S.B.I, dated 29-3-1974 (w.e.f. 1-7-1974).

84. Matters not covered by these regulations :-

All rules made by the Central Board of the 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.

SCHEDULE 1

SCHEDULE

(See Regulation 61) 1. Spouse 2. Father 3. Mother (including step-mother) 4. Son (including step-son) 5. Son's wife 6. Daughter's (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.]