

**THE STATE-ASSOCIATED BANKS (MISCELLANEOUS  
PROVISIONS ) ACT, 1962**

**56 of 1962**

**[14th December, 1962]**

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An Act further to amend the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959, and the Bankers Books Evidence Act, 1891, and to provide for the winding up of certain minor State-associated banks and for matters connected therewith. BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows:--

**1. Short title and commencement :-**

Section

(1) This Act may be called the State-Associated Banks (Miscellaneous Provisions) Act, 1962.

(2) Section 3, except clauses (ii) , (iv) , and (vii) thereof, shall come into force on such date [It January ,1963; vide Notification No.G.S.R.1781, dated 18-12-1962,Gazette of India,1963, Pt. II ,Sec 3(I), p, 2141] as the Central Government may ,by notification in the Official Gazette, appoint, and the rest of this Act shall come into force at once.

**2. Amendment of Act 23 of 1955 :-**

## Section

In the State Bank of India Act, 1955

(i) in sub-section (3) of section 31, the following proviso shall be inserted at the end , namely:-

"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 per cent. of the paid-up capital in any public company is denied in the Companies Act, 1956 (1 of 1956) , or any corporation establishment 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 of enter into or make, a contract, loan arrangement or proposal or

(ii) a director ex office of the State Bank or a director of subsidiary bank"

(ii) in section 34,-

(a) in sub-section (5), after the words 'without security' the words or without security or a description authorized by this Act shall be inserted;

(b) in sub-section (6)-

(i) for the word and figures 'section 33' the words this Act, shall be substituted;

(ii) the words interest in shall be omitted ; and

(iii) in section 50, in clause (a) of sub-section (2)(, after the words "without security" in both the places where they occur, the words, "or without security of a description authorized by this Act " shall be inserted.

### **3. Amendment of Act 38 of 1959 :-**

## Section

In the State Bank of India (Subsidiary Banks) Act, 1959

(i) in section 2, sub-clause (iii) of clause (b) sub-clause (iii) of clause (c) and sub-clause (iii) of clause (d) shall be omitted;

(ii) in Chapter II, for the existing heading the following heading shall be substituted namely- "CONSTITUTION OF NEWBANKS AND

## CHANGES OF NAME OF ANY SUBSIDIARY BANK"

(iii) in section 3, clause (c) shall be omitted;

(iv) after section 3, the following section shall be inserted, namely:-  
"3A.Change of name of a subsidiary bank:(1) The Central Government after consulting the State Bank and the Reserve Bank may, by notification in the Official Gazette, direct that the name of any subsidiary bank, shall, with effect from such date as may be specified upon any reference to that subsidiary bank in this Act or any other law for the time being in force or in any contract, instrument or documents shall be construed as a reference to that bank by its new name (2) The change in the name of subsidiary bank under sub-section (1) shall not affect rights or obligations of that bank or render defective any legal proceedings by or against, and any legal proceedings which might have been continued or commenced by or against that bank by its former name may be continued by or against it by its new name."

(v) in section 12, after sub-section (3) the following sub-section shall be insert namely:-

'(4) for the purposes of this section

(a) "corresponding new bank" means in relation to the Bank of Jaipur Limited the institution constituted under section 3 as the State Bank of Bikaner;

(b) "existing bank" includes the Bank of Jaipur Limited;

(vi) in section 13, for sub-section (13), the following subsection shall be substituted namely-

'(13) for the purposes of this section

(a) "corresponding new bank" does not include the State Bank of Patiala and means in relation to the Bank of Jaipur Limited the institution constituted under section 3 as the State Bank of Bikaner;

(b) "existing bank" includes the Bank of Jaipur Limited but does not include the Bank of Patiala

(vii) in section 347, for the proviso to sub-section (5), the following proviso shall be substituted, namely

"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 per cent. of the paid capital in any public company as defined in the Companies Act, 1956 (1 of 1956), or any corporations established by or under any law for the time being in force in India or an co-operative society, with which in force in India or any co-operative society with which or to which the subsidiary bank has entered into or made, or proposes to enter into or make , a contract, loan , arrangement or proposal; or

(ii) a director of the State Bank or of any other subsidiary bank being a director under clause (a) or clause (e) of sub-section (1) of section 25 or being an officer of the Reserve Bank or the State Bank nominated under clause (b) clause (c) of that sub-section

(viii) in section 36, sub-section (3) and (4) shall be omitted; and

(ix) for section 59, the following section shall be substituted namely

"59. Construction of reference existing banks: (1) For the purpose of sections 45, 49, 55, 58 and the First Schedule the expression bank, shall include the Bank of Jaipur Limited. (2) Except as otherwise provided in any general or special order made by the Central Government any reference in any law, other than this Act, or in any contracted or other instrument

(a) to an existing bank, shall be construed as a reference to the correspondence new bank;

(b) to the Bank of Jaipur Limited shall be construed as a reference to the State Bank of Bikaner

#### **4. Amendment of Act 18 of 1891 :-**

Section

In the Bankers Books Evidence Act, 1891, in section 2-

(i) for clause (1), the following clauses shall be substituted namely

'(1) "company" means any company as defined in section 3 of the Companies Act, 1956 ( 1 of 1956) and includes a foreign company within the meaning of section 591 of that Act;

(ii) for sub-clause (a) of clause (2) the following clause shall be substituted namely: (a) any company or corporation carrying on the business of banking

## **5. Provisions in respect of the State Bank , Doll pur :-**

Section

(1) Notwithstanding anything to the contrary contained in any other law or in any order or other instrument

(2) In this section , Dholpur bank" means the bank known as the Dholpur State Bank and governed at the commencement of this section by the State Bank, Dholpur Act, 1915.

## **6. Amendment of the State Bank of Kurundwad (Junior) Act, 1933 :-**

Section

In the State Bank of Kurundwad (Junior) Act, 1933

(a) in section 22, for the words "The Indian Companies Act as applied to the State the words and figures "The Companies Act, 1956" shall be substituted and

(b) after section 22, the following section shall be inserted namely

"22A.Special provision for winding up of the bank.- No provision of law relating to the winding up of companies or corporations shall apply to the bank and-

(i) the provisions of section 5 of the State Associated Banks (Miscellaneous Provisions) Act, 1962 ( 56 of 1962), except the provisions of clauses (d) and (e) of subsection (I) thereof, and

(ii) the provisions of section 45-O of the Banking Companies Act, 1949(10 of 1949),