

*State Bank of India General Regulations*

(2) For the purpose of election of a member of a Local Board under clause (d) of subsection (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. (1) No candidate for election as a Director or a member of a Local Board shall be validly nominated unless—

Nomination of candidates for election

- (a) he is, on the last date for receipt of nominations, not disqualified to be a 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 <sup>1</sup>[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 <sup>1</sup>[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 officer 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 disqualified for election under section 22.

(2) No nomination shall be valid unless it is received, with all the connected documents or papers, in <sup>1</sup>[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.

40. (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 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

Publication of list of candidates

<sup>1</sup> Ins. by Resn. C.B.S.B.I., dt. 20-11-1964.

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 <sup>1</sup>[shall be deemed to be elected forthwith] and his name and address shall be published as so elected. <sup>1</sup>[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.

<sup>2</sup>(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 <sup>3</sup>[Managing Director or] the Secretary <sup>3</sup>[as the case may be] shall send a copy of every such notice issued by him to the Chairman forthwith.

Assumption of office by the elected candidate

41. 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.

Election disputes

42. (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 VI

### CENTRAL BOARD AND ITS EXECUTIVE COMMITTEE

Allocation of elected directors to various areas  
Meetings of the Central Board

<sup>4</sup>[43. \* \* \* \* \*

44. (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.

<sup>1</sup> Subs by Resn. C.B.S.B.I. dt. 25-11-1970.

<sup>2</sup> Subs. by Resn. C.B.S.B.I., dt. 20-11-1964.

<sup>3</sup> Ins. by Resn. C.B.S.B.I., dt. 20-11-1964.

<sup>4</sup> Deleted by Resn. C.B.S.B.I., dt. 20-11-1964.

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(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) 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 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.

<sup>1</sup>[(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 (c) or nominated under clause (d) of that sub-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.

45. (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:

Resolution without meeting of Central Board valid.

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.

(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) 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.

Constitution and powers of the Executive Committee

(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. (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.

Meetings of the Executive Committee

(2) Four directors, of whom not less than two are directors <sup>2</sup>[holding office by virtue of clause (bb)] of sub-section (1) of section 19 of the Act <sup>2</sup>[or elected under clause (c)] or

<sup>1</sup> Subs. by Resn. C.B.S.B.I., dt. 20-11-1964.

<sup>2</sup> Ins. by Resn. C.B.S.B.I., dt. 20-11-1964.

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nominated under clause (d) of that sub-section shall form a quorum for the transaction of business:

<sup>1</sup>[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 <sup>2</sup>[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 meetings of the Central Board.

CHAPTER VII

LOCAL BOARDS AND THEIR COMMITTEES

Constitution of Local Boards	<sup>3</sup> [48.	*	*	*	*	*	]
Term of office of Local Board members	<sup>3</sup> [49.	*	*	*	*	*	]
Casual vacancies	<sup>3</sup> [50.	*	*	*	*	*	]
Presidents and Vice-Presidents of Local Boards	<sup>3</sup> [51.	*	*	*	*	*	]
Meetings of Local Boards	52. (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.					

<sup>4</sup>[(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.

<sup>5</sup>[(3) *Chief General Manager* \* \* \* \* \* ]

(4) The Secretary and Treasurer 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 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.

<sup>1</sup> Ins. by Resn. C.B.S.B.I., dt. 18-7-1958.  
<sup>2</sup> Ins. by Resn. C.B.S.B.I., dt. 20-11-1964.  
<sup>3</sup> Deleted by Resn. C.B.S.B.I., dt. 20-11-1964.  
<sup>4</sup> Subs. by Resn. C.B.S.B.I., dt. 20-11-1964.  
<sup>5</sup> Deleted by Resn. C.B.S.B.I., dt. 20-11-1964.

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

*slip*

- (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 ~~secretary and Treasurer~~ <sup>Chief General Manager</sup> concerned, and where the appointment or promotion 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 Officers Grade II or Grade I generally apply, with or without modifications, by the ~~secretary and Treasurer~~ <sup>Chief General Manager</sup> 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 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 Appointments 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.

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(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. (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: Adoption of resolution by Local Board by circulation

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.

1[54.

] Powers of Local Boards

55. (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. Local Boards' powers with regard to staff

<sup>1</sup>(2) <sup>2</sup>(a) & (b) as per slip 'A'  
<sup>3</sup>(a) The initial appointment of officers of all categories shall be made by the Executive Committee. Such officers shall not be dismissed from the service of the State Bank except by the Executive Committee.

(b) The salary and other emoluments to be granted to officers and other employees appointed by the Executive Committee 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) The appointment of officers to senior appointments (except temporary appointments for periods of less than three months), the promotion of officers to first, second and third grades under the Imperial Bank rules of service and the promotion of officers to first and second grades under the State Bank rules of service shall be made by the Central Board, or by the Executive Committee, subject to specific confirmation by the Central Board at its next meeting.]

(d) 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.

(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 any general direction given by the Central Board.

<sup>1</sup> Deleted by Resn. C.B.S.B.I., dt. 20-11-1964.

<sup>2</sup> Subs. by Resn. C.B.S.B.I., dt. 20-11-1964.

<sup>3</sup> Subs. by Resn. C.B.S.B.I., dt. 20-1-1967.



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Constitution and powers of the Committee of the Local Board

56. <sup>1</sup>(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-President) <sup>2</sup>[the Secretary and Treasurer 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.

Meetings of the Committee of the Local Board

57. (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 VIII

REMUNERATION OF DIRECTORS AND LOCAL BOARD MEMBERS

Chapter VIII not to apply to Chairman and Vice-Chairman  
Fees for Directors, etc.

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

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. 40 for each meeting.
- (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 <sup>3</sup>[or the ~~Secretary and Treasurer~~ <sup>Chief General Manager</sup> 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 meetings of the Local Board . . . . .Rs. 40 for each meeting.

<sup>1</sup> Subs. by Resn. C.B.S.B.I., dt. 2-1-1958.  
<sup>2</sup> Subs. by Resn. C.B.S.B.I., dt. 20-11-1964.  
<sup>3</sup> Ins. by Resn. C.B.S.B.I., dt. 20-11-1964.

For the existing Chapter IX of the State Bank of India General Regulations, 1955 the following Chapter be substituted :-

CHAPTER IX

LOANS & ADVANCES

61. 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 on 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 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" 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 persons specified in the schedule to these regulations and includes any other person so specified by the Central Board from time to time.



The following schedule be inserted at the end of  
the State Bank of India General Regulations, 1955.

SCHEDULE

(See Regulation 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.

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(d) "specified security" means any one or more of the following securities :-

- i) stocks, funds and securities (other than immoveable 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 Section 5 of the Banking Regulation Act, 1949 (10 of 1949).

Limit on  
Local  
Board's  
powers to  
grant  
loan or  
advance

62. A Local Board shall not without 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 Rs. 1 crore, and
- (b) to any other borrower, an amount which would make the borrower's indebtedness to the State Bank exceed Rs. 5 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 Rs. 2 crores.

Loan or  
advance  
beyond  
rupees one  
crore to  
be  
reported to  
Executive  
Committee

63. 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.

Directors and members of Local Boards to notify their interests in firms, companies, etc.

64. Without prejudice to the provisions of sub-section (3) of Section 31 and sub-section (3) of Section 31 A 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.

Employee not to grant loan or advance to himself.

65. 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.

Employee not to grant loan or advance to relatives, etc.

66. 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, 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.

Loan or advance to officers and employees

67. 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.

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- (b) For attending meetings of the Committee of Local Board ..... Rs. 30 for each meeting.
- (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. (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. Reimbursement of travelling expenses of Directors and Local Board members

(2) A managing director <sup>Chief General Manager</sup> [or the Secretary and Treasurer 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 [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.]

CHAPTER IX

ADVANCES, DISCOUNTS AND ACCOUNTS

- <sup>2</sup>61. Except upon the security mentioned in sub-clauses (a) to (e) of clause (i) of section 33 of the Act, the State Bank shall not discount bills for, or lend or advance in any way to, any individual or partnership firm an amount exceeding in the aggregate at any one time rupees fifty lakhs. Discounts for, loans and advances to, individuals and firms.
- 62. Except upon the security mentioned in sub-clauses (a), (b) and (e) of clause (i) of section 33 of the Act, a Local Board shall not, without the previous sanction of the Central Board or the Executive Committee, lend or advance in any way to any company or association with limited liability an amount exceeding in the aggregate at any one time rupees one crore. Loans and advances to companies or associations with limited liabilities
- 63. Except with the prior sanction of the Central Board or the Executive Committee, a Local Board shall not lend or advance on the securities mentioned in sub-clauses (c) (d) and (ff) of clause (i) of section 33 of the Act, and, where the original security is of the kind specified in sub-clause (g) of that clause, on the collateral security of any of the securities mentioned in sub-clause (h) of that clause, if such loan or advance, when granted or renewed would make the borrower's total indebtedness to the State Bank against any such security amount to or exceed rupees fifteen lakhs. Loans and advances under section 33 (i) (c), (d) (ff) and (g) and (h) amounting to or exceeding rupees fifteen lakhs to be made with prior sanction of the Central Board or the Executive Committee

<sup>1</sup> Ins. by Resn. C.B.S.B.I., dt. 20-11-1964.  
<sup>2</sup> Subs. by Resn. C.B.S.B.I., dt. 20-11-1964.

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Loans and advances under section 33(i)(f) to be made with the prior specific sanction of the Central Board or the Executive Committee if the security is other than goods or book debts or if the amount exceeds rupees fifty lakhs

64. <sup>1</sup>[Without prejudice to regulation 66C and except with the prior specific sanction of the Central Board or the Executive Committee, a Local Board shall not lend or advance on the security mentioned in sub-clause (f) of clause (i) of section 33 of the Act, if—

- (a) the security is other than goods or book debts; or
- (b) the loan or advance, when granted or renewed, would make the borrower's total indebtedness to the State Bank against the security amount to or exceed Rs. 50 lakhs.]

Loans, advances and cash credits under clause (xvii) of section 33

65. All loans, advances or cash credits granted to any company or society under clause (xvii) of section 33 of the Act shall be subject to the prior sanction of the Central Board or, in cases of urgency, of the Executive Committee, and the State Bank shall not make or grant such loan, advance or cash credit until a valuation of the assets of the company or society seeking such accommodation has been made, submitted and accepted, and in no case shall such loan, advance or cash credit exceed such proportion of the assets so disclosed by valuation as the Central Board or the Executive Committee, shall fix.

Loans, advances and cash credits under clause (xixb) of section 33

66. Except with the prior sanction of the Central Board or the Executive Committee, a Local Board shall not make any loan, advance or cash credit under clause (xixb) of section 33 of the Act, if such loan, advance or cash credit when granted or renewed would make the borrower's total indebtedness to the State Bank under that clause amount to or exceed rupees twenty five lakhs.

Loans and advances under clause (xixc) of section 33

66A. Except with the prior sanction of the Central Board or the Executive Committee, a Local Board shall not make any loan or advance under clause (xixc) of section 33 of the Act if such loan or advance, when granted or renewed, would make the borrower's total indebtedness to the State Bank under that clause amount to or exceed rupees fifteen lakhs.

Loans and advances beyond rupees ten lakhs to be reported to Executive Committee

66B. (1) Any loan or advance granted or renewed by a Local Board which makes the borrower's total indebtedness to the State Bank amount to or exceed rupees ten lakhs shall be immediately reported to the Executive Committee.

(2) For the purpose of this regulation and the preceding regulations, indebtedness to the State Bank shall be deemed to cover—

- (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; and
- (iii) the limits sanctioned for advances on fluctuating accounts even though the actual drawing powers may be lower. }

Permissible limits for over-drawing of accounts

<sup>2</sup>[66C.] <sup>3</sup>{Accounts may be overdrawn without security or without security of a description authorised by the Act or these regulations to the extent of rupees <sup>4</sup>[ten] lakhs and, with the previous sanction of the Executive Committee, to an extent exceeding rupees <sup>4</sup>[ten] lakhs but not exceeding rupees <sup>4</sup>[fifty] lakhs:

<sup>1</sup> Subs. by Resn. C.B.S.I., dt. 25-11-1970.

<sup>2</sup> Original regulation No. 65 renumbered by Resn. C.B.S.B.I., dt. 20-11-1964.

<sup>3</sup> Subs. by Resn. C.B.S.B.I., dt. 26-5-1960.

<sup>4</sup> Subs. by Resn. C.B.S.B.I., dt. 20-11-1964.



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Provided that accounts of foreign banks or foreign correspondents may be so overdrawn, with the previous sanction of the Executive Committee, in excess of the foregoing limits but not exceeding rupees, <sup>1</sup>[two] crores. }

67. Without prejudice to the provisions of sub-section (3) of section 31 of the Act, all directors and members of the Local Boards shall notify to the Chairman the names of all companies in which they are interested, and shall also declare the fact at any time an advance to any of the said companies is being considered.

Directors and members of Local Boards to notify the names of companies in which they are interested

68. No member of a Local Board shall sit, judge or vote on any matter connected with any business of the State Bank in which he is personally concerned or on any motion respecting the loan or advance of money or otherwise giving credit to himself, his partner, co-trustee, employee or relative or to a private company, firm or individual with which or with whom such member is connected as director, manager, partner or employee.

Members of Local Boards not to participate in proceedings in which they are interested

69. Except on the security mentioned in sub-clauses (a) and (b) of clause (i) of section 33, a loan or an advance to a joint stock company of which any member of a Local Board is a director shall not be finally sanctioned by that Local Board without the previous approval of the Executive Committee.

Prior approval of Executive Committee necessary to grant of loans to joint stock companies of which Local Board members are directors

70. No advance save on the security mentioned in sub-clauses (a), (b) <sup>2</sup>[and c] of clause (i) of section 33 of the Act shall be made---

Advances to officers and employees of the State Bank

(a) to the Chairman, Vice-Chairman or a Managing Director without the specific sanction of the Central Board and

(b) to any other officer or an employee of the State Bank without the sanction of the Executive Committee or of the Local Board, as the case may be, under which he is serving, <sup>3</sup>[except where the advance is pursuant to any such rules or scheme framed or approved by the Central Board or the Executive Committee.]

71. If an advance is granted to a director or a member of the Local Board or to any concern in which any director or member of the Local Board is interested as a partner or a co-trustee or if the concern is a private company, as a director or an employee, at a rate of interest lower than the rate normally charged by the State Bank on similar advances to other parties at that time, the reasons for granting the advance at the lower rate shall be recorded in the resolution sanctioning the advance.

Advances at lower rates

72. <sup>3</sup>[(1) Not more than two suspense accounts (i.e., accounts in which items which cannot be passed at once into their proper accounts are in the meantime debited or credited,) shall be kept at any Local Head Office or branch. Each branch shall forward quarterly to its Local Head Office detailed statements of the suspense account kept for debits showing all the items outstanding and of the suspense account kept for credits showing items outstanding for 6 months or more.]

Suspense Accounts

(2) Statements of the suspense accounts at the Local Head Office shall be laid before the Local Board concerned at each meeting.

<sup>1</sup> Subs. by Resn. C.B.S.B.I., dt. 20-11-1964.

<sup>2</sup> Ins. by Resn. C.B.S.B.I., dt. 20-11-1964.

<sup>3</sup> Subs. by Resn. C.B.S.B.I., dt. 25-11-1970.

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Accounts of investments in Government securities

73. The State Bank's investments in securities shall be divided into two accounts, viz., "Bank's Investments Permanent Account" and "Bank's Investments Floating Account." The "Bank's Investments Permanent Account" shall not exceed ten crores of rupees. The valuation of the securities forming the "Bank's Investments Permanent Account" shall be made on the principle of fixity of valuation, being such a valuation as the Central Board may consider represents the fair normal value of the securities judging by previous prices, the large amount involved and the position and prospects of the market; but no revaluation, with a view to the appropriation of profit, shall take place until some marked difference of value between the rates of valuation and the market rates arises under circumstances of such duration or of such nature as will warrant a belief in the permanency of the difference. The securities forming the "Bank's Investments Floating Account" shall be the securities held by the State Bank in excess of the amount held in the "Bank's Investments Permanent Account" and shall be valued yearly at rates not exceeding the market rates on the last day of December each year.

Weekly statement of affairs

74. The State Bank shall prepare and transmit to the Reserve Bank a weekly statement of its affairs in such form as the Reserve Bank may, from time to time, approve. A copy of every such statement shall be displayed at all Local Head Offices and branches of the State Bank.

CHAPTER X

MISCELLANEOUS

Manner and form in which contracts binding on the State Bank may be executed

75. (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, may be 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 thereto and their legal representatives.

Accounts, receipts and documents of State Bank by whom to be signed

76. <sup>1</sup>[(1) The Vice-Chairman, the ~~Managing Directors,~~ <sup>*One Deputy Managing Director*</sup> the ~~Secretaries and Treasurers~~ <sup>*Chief General Manager*</sup> 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 held by or on 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 endorse bills of exchange and cheques, to issue, confirm and transfer letters of credit and to sign guarantees and indemnities.]

<sup>1</sup> Subs. by Resn. C.B.S.B.I., dt. 25-11-1970.

*State Bank of India General Regulations*

(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, 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, 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.

Plaints etc.  
by whom to be  
signed

78. 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.

Joint responsibility  
of Managing  
Directors in ad-  
ministrative and  
staff matters.

79. (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.

Obligation to  
notify  
disqualifications  
of directors and  
members of  
Local Boards  
and Local  
Committees

(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. (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.

The seals of the  
State Bank

(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.

*State Bank of India General Regulations*

(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.

(6) Without prejudice to the generality of the foregoing sub-regulation, an official seal may be affixed by a 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.

Service of notices to shareholders

81. (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, 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 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.

Service of notice on State Bank

82. 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.

State Bank of India General Regulations

<sup>1</sup>82A. The balance sheet and the profit and loss account of the State Bank shall be drawn up in conformity with the provisions of Section 29 excluding sub-section (3) of the Banking Regulation Act, 1949. Returns under section 40 of the Act

**Explanation :**

For the removal of doubts it is clarified:

- (a) that the balance sheet shall not be treated as not exhibiting a true and fair view of the state of affairs of the State Bank and 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 they do not disclose any matters which are not required to be disclosed by the Banking Regulation Act read with the relevant provisions of the Act;
- (b) that the accounts of the State Bank shall not be deemed as not having been properly drawn up on the ground merely that the State Bank has not disclosed certain matters if—
  - (i) those matters are such as the State Bank is not required to disclose by virtue of any provisions contained in the Banking Regulation Act read with the relevant provisions of the Act or any other Act, and
  - (ii) those provisions are specified in the balance sheet and profit and loss account of the State Bank or in the auditors' report.]

83. <sup>2</sup>[(1) An account of the profits of the State Bank shall be taken ~~at the end of~~ <sup>at the end of</sup> immediately 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.] Payment of dividend

(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 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.

(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. 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. Matters not covered by these regulations

<sup>1</sup> Inserted by Resn. C.B.S.B.I., dt. 20-2-1971.

<sup>2</sup> Subs. by Resn. C.B.S.B.I., dt. 22-1-1959.