Banking Laws (Amendment) Act, 2012

Section 15 - Amendment of Section 3."

In Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970)"

(a) for sub-section (2-A), the following sub-section shall be substituted, namely"

"(
2-A) Subject to the provisions of this Act, the authorised capital of every corresponding new bank shall be three thousand crores of rupees divided into three hundred crores of fully paid-up shares of ten rupees each:

Provided that the corresponding new bank may reduce the nominal or face value of the shares, and divide the authorised capital into such denomination as it may decide with the prior approval of the Reserve Bank:

Provided further that the Central Government may in consultation with the Reserve Bank and by notification in the Official Gazette increase or reduce the authorised capital as it deems fit so however that the shares in all cases shall be fully paid-up shares.";

(b) in sub-section (2-B), in Clause (c), after the words "public issue", the words "or rights issue or by issue of bonus shares" shall be inserted;

(c) in sub-section (2-BB), after the words public issue", the words or rights issue or by issue of bonus shares" shall be inserted;

(d) in sub-section (2-BBA), in Clause (a), after the words "public issue", the words "or rights issue or by issue of bonus shares" shall be inserted;

(e) in sub-section (2-C), after the words "public issue", the words "or rights issue or by issue of bonus shares" shall be inserted;

(f) in sub-section (2-E),"

(i) for the words "one per cent", the words "ten per cent" shall be substituted;

(ii) in the second proviso, for the words "no preference shareholder shall be entitled to exercise voting rights in respect of preference shares held by him in excess of one per cent", the words "no preference shareholder, other than the Central Government, shall be entitled to exercise voting rights in respect of preference shares held by him in excess of ten per cent" shall be substituted