

## State Bank of India Act, 1955

### Section 50 - Power of Central Board to Make Regulations

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

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

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

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

(c) the holding and conduct of elections under this Act, including the allocation of elected directors to the various areas 3 [falling within the jurisdiction of each local head office], and the final determination of doubts or disputes regarding the qualifications of candidates for election or regarding the validity of elections;

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

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

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

(f) the manner in which the business of the Central Board 6 [or of Local Boards] shall be transacted and the procedure to be followed at the meetings thereof;

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

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

(j) the holding of meetings of shareholders 8 [\* \* \*] and the business to be transacted thereat;

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

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

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

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

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

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

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

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

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

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

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

11 [(2-A)All regulations made under this section shall have effect from such earlier or later date as may be specified in the regulations.]

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

12 [(4)Every regulation shall, as soon as may be after it is made under this Act by the Central Board, be forwarded to the Central Government and that Government shall cause a copy of the same to be laid before each House of Parliament, while it is in session, for a total period of thirty days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of this session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.]

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1. Inserted by Act 66 of 1988, Section 17 (w.e.f. 30th December, 1988).

2. Substituted by Act No. 3 of 1994, Section 20 (w.e.f. 15th October, 1993).

3. Inserted by Act 3 of 1994, Section 20 (w.e.f. 15th October, 1993).

4. Substituted by Act 3 of 1994, Section 20 (w.e.f. 15th October, 1993).

5. Substituted by Act 35 of 1964, Section 16 (w.e.f. 1st December, 1964).

6. Inserted by Act 35 of 1964, Section 16 (w.e.f. 1st December, 1964).

7. Clause (h) omitted by Section 16, Act 35 of 1964, Section 16 (w.e.f. 1st December, 1964).

8. Omitted by Act No. 3 of 1994, Section 20 (w.e.f. 15th October, 1993).

9.Substituted by Act 26 of 1959, Section 10 (w.e.f. 28th August, 1959).

10.Substituted by Act 48 of 1973, Section 19 (w.e.f. 31st December, 1973).

11.Inserted by Act 48 of 1973, Section 19 (w.e.f. 31st December, 1973).

12.Inserted by Act 1 of 1984, Section 48 (w.e.f. 15th February, 1984).

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