

Bill No. 130 of 2010

THE STATE BANK OF INDIA (SUBSIDIARY BANKS) AMENDMENT
BILL, 2010

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further to amend the State Bank of India (Subsidiary Banks) Act, 1959.

BE it enacted by Parliament in the Sixty-first Year of the Republic of India as follows:—

1. (1) This Act may be called the State Bank of India (Subsidiary Banks) Amendment Act, 2010. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

38 of 1959. **2.** In section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (hereinafter referred to as the principal Act),— Amendment of section 2.

(i) in clause (b), sub-clause (ii) shall be omitted;

(ii) in clause (c), sub-clause (ii) shall be omitted;

10 (iii) in clause (d), sub-clause (ii) shall be omitted.

3. In section 3 of the principal Act, clause (b) shall be omitted. Amendment of section 3.

STATEMENT OF OBJECTS AND REASONS

In terms of the State Bank of India (Subsidiary Banks) Act, 1959, the Bank of Indore Limited became a subsidiary of the State Bank of India and was renamed as State Bank of Indore. In view of the recent developments in international banking scenario and for better functioning, the State Bank of India has, with the sanction of the Central Government and in consultation with the Reserve Bank of India, entered into negotiations for acquiring the business, including the assets and liabilities of the State Bank of Indore. The terms and conditions relating to such acquisition were agreed upon by the Central Board of the State Bank of India and the Board of the State Bank of Indore in the form of a Scheme.

2. Thereafter, the Reserve Bank of India approved the acquisition of the business of the State Bank of Indore and in exercise of the powers conferred by sub-section (2) of section 35 of the State Bank of India Act, 1955, the Central Government has accorded its sanction thereto. Accordingly, the Acquisition of the State Bank of Indore Order, 2010 was published in the Gazette of India, *vide*, Notification No. G.S.R. 638(E), dated the 28th July, 2010. As per the said Order, the business of the State Bank of Indore has to be carried out by the State Bank of India in accordance with the State Bank of India Act, 1955. After the acquisition of the State Bank of Indore by the State Bank of India *vide* said Order, references to the State Bank of Indore in the State Bank of India (Subsidiary Banks) Act, 1959 have become redundant. It is therefore, proposed to amend the State Bank of India (Subsidiary Banks) Act, 1959 to omit such references.

3. The Bill seeks to achieve the above objects.

NEW DELHI;
The 10th November, 2010.

PRANAB MUKHERJEE.

ANNEXURE

EXTRACTS FROM THE STATE BANK OF INDIA (SUBSIDIARY BANKS) ACT, 1959

(38 OF 1959)

* * * * *
2. In this Act, unless the context otherwise requires,— Definitions.

* * * * *
(b) “corresponding bank” means,—

* * * * *
(ii) in relation to the State Bank of Indore, the Bank of Indore, Limited;

* * * * *
(c) “corresponding new bank” means,—

* * * * *
(ii) in relation to the Bank of Indore, Limited, the State Bank of Indore;

* * * * *
(d) “existing bank” means any of the following banks, namely:—

* * * * *
(ii) Bank of Indore, Limited;

* * * * *

CHAPTER II

CONSTITUTION OF NEW BANKS AND CHANGE OF NAME OF ANY
SUBSIDIARY BANK

3. With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, there shall be constituted the following new banks, Establishment of new banks.
namely:—

* * * * *
(b) the State Bank of Indore;

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further to amend the State Bank of India (Subsidiary Banks) Act, 1959.

(Shri Pranab Mukherjee, Minister of Finance)