

LOK SABHA

THE
STATE BANK OF INDIA (AMENDMENT)
BILL, 1959

(Report of the Joint Committee)

PRESENTED ON THE 3rd AUGUST, 1959



सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

August, 1959.

Price : 0.55 nP.

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(ii)

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28. Shri Laisram Achaw Singh
29. Shri Balasaheb Salunke
30. Shri Morarji Desai.

Rajya Sabha

31. Shri K. P. Madhavan Nair
32. Shri Tika Ram Paliwal
33. Shri Jaspat Roy Kapoor
34. Shrimati Pushpalata Das
35. Shri Jadavji Keshavji Modi
36. Dr. Anup Singh
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Ministry of Law.*

Shri V. N. Bhatia, *Deputy Draftsman, Ministry of Law.*

SECRETARIAT

Shri S. L. Shakhder—*Joint Secretary.*

Shri A. L. Rai—*Under Secretary.*

Report of the Joint Committee

I, the Chairman of the Joint Committee to which the *Bill further to amend the State Bank of India Act, 1935, was referred, having been authorised to submit the Report on their behalf, present their Report with the Bill as amended by the Committee annexed thereto.

2. The Bill was introduced in the Lok Sabha on the 23rd February, 1959.

3. The motion for reference of the Bill to a Joint Committee of the Houses was moved by Dr. B. Gopala Reddi, Minister of Revenue and Civil Expenditure, on the 29th April, 1959, and was discussed in the Lok Sabha on the 29th and 30th April, 1959, and adopted on the 30th April, 1959 (Appendix I).

4. The Rajya Sabha discussed and concurred in the said motion on the 6th May, 1959 (Appendix II).

5. Message from the Rajya Sabha was read out to the Lok Sabha on the 9th May, 1959.

6. The Committee held four sittings in all.

7. The first sitting of the Committee was held on the 9th May, 1959, to draw up a programme of work. The Committee, at this sitting also decided to hear evidence of associations and individuals desirous of presenting their suggestions or views before the Committee. The Chairman was authorised to decide, after examining the memoranda submitted by them, as to which of the associations and individuals might be called to tender oral evidence before the Committee.

8. No memorandum was received on this Bill.

9. The Committee considered the Bill clause by clause at their Second and Third Sittings held on the 1st and 2nd July, 1959.

10. The Committee considered and adopted the Report at their Sitting held on the 31st July, 1959.

11. The observations of the Committee with regard to the change proposed in the Bill are given in the succeeding paragraph.

* Published in Part II, Section 2 of the Gazette of India, Extraordinary, dated the 23rd February, 1959.

(iv)

12. *Clause 6.*—An amendment to sub-clause (12) has been made in order to make it clear that the sub-clause would cover a defect in the constitution of the Board of Directors or in the appointment of any person entrusted with the management of the banking institution.

13. The Joint Committee recommend that the Bill as amended be passed.

NEW DELHI;
The 2nd August, 1959.

J. M. MOHAMED IMAM,
Chairman,
Joint Committee.

Minutes of Dissent

The State Bank of India (Amendment) Bill, 1959 no doubt embodies some minor amendments and there is nothing much to differ from the Bill. We cannot, however reconcile ourselves with some of the provisions in clause (6) for reasons mentioned below.

It is said that Clause (6) seeks to amend section 35 of the State Bank of India Act, 1955, with a view to simplify the procedure for acquisition of business of other Banks by the State Bank. But we are unable to understand as to how it simplifies the procedure. To delegate authority to the Government and to say that Governmental directions will supersede and take precedence over statutory provisions and thus matters will be simplified can hardly be the proper way of thinking. It contravenes the concept of rule of law and merely gives rise to complications.

We are also unable to agree with sub-clause (8). An employee may be circumstanced in so many ways to accept even unsatisfactory terms and conditions of service. It is therefore necessary to guarantee in the provision itself to the effect that the terms and conditions of employment offered by the State Bank shall not be inferior in any manner to the terms and conditions of service enjoyed by the employee in the Bank he was previously working and that continuity of service will be recognised in case of his accepting employment.

Since this clause deals with acquisition of business of other Banks by the State Bank, we do not see any reason as to why the terms and conditions prescribed for employees of the State Bank should not be offered and there need be a discriminatory treatment.

Subject to the above observations we concur with the Joint Committee Report.

NEW DELHI;

Dated the 31st July, 1959.

HARIHAR PATEL.

P. K. DEO.

THE STATE BANK OF INDIA (AMENDMENT)
BILL, 1959

(AS AMENDED BY THE JOINT COMMITTEE)

(Words underlined indicate the amendment suggested by the
Committee)

A

BILL

further to amend the State Bank of India Act, 1955.

BE it enacted by Parliament in the Tenth Year of the Republic
of India as follows:—

1. This Act may be called the State Bank of India (Amendment) Act, 1959. Short title.

23 of 1955.

5 2. In section 22 of the State Bank of India Act, 1955 (hereinafter referred to as the principal Act),— Amendment of section 22.

(a) in clause (d) of sub-section (1), for the words “or managing director”, the words “, managing director, or legal or technical adviser” shall be substituted;

10 (b) after sub-section (3), the following sub-section shall be inserted, namely:—

‘(4) In this section,—

10 of 1949.

(a) “banking company” has the same meaning as in the Banking Companies Act, 1949;

15

(b) “manager” means the chief executive officer, by whatever name called, of a banking company;

1 of 1956.

(c) “private company” has the same meaning as in the Companies Act, 1956.’