

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:523
ANSWERED ON:24.11.2006
AMENDMENT IN SBI ACT
Saradgi Shri Iqbal Ahmed

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to amend the State Bank of India act to enable Reserve Bank of India to transfer its entire holding to the Union Government while enabling the country's leading commercial bank to increase its capital base for carrying out expansion;
- (b) if so, the reasons therefor;
- (c) the time by which the amendment is likely to be made;
- (d) whether this amendment was also required to enable SBI to rationalize the powers of the Board, acquire business of other banks and other matters relating to shares; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (e) : The Government proposes to amend the State Bank of India Act, 1955 by introducing the State Bank of India (Amendment) Bill, 2006 in the current session of the Parliament. The proposed Bill inter alia seeks to provide for enhancement of the capital of the State Bank of India by issue of preference shares, to enable them to raise resources from the market by public issue or preferential allotment or private placement etc. The Bill also aims to provide flexibility in the management of the bank. However, the amendments for divestments of RBI's shareholding in SBI have not been included in the above Bill.