

MINISTRY OF FINANCE
(Department of Financial Services)

ORDER

New Delhi, the 28th July, 2010

G.S.R. 638(E). Whereas, the State Bank of India (hereinafter referred as the Transferee Bank), with the sanction of the Central Government and in consultation with the Reserve Bank, has entered into negotiations for acquiring, by way of amalgamation, the business including the assets and liabilities of the State Bank of Indore (hereinafter referred as the Transferor Bank);

Whereas, the terms and conditions relating to acquisition have been agreed upon by the Central Board of Transferee Bank and the Board of the Transferor Bank in the form of a Scheme;

And whereas, the Reserve Bank has approved to such acquisition agreed upon by the Transferor Bank and the Transferee Bank, and submitted the same to the Central Government for its sanction;

Now therefore, in pursuance of powers conferred under sub-section (2) of section 35 of the State Bank of India Act, 1955 (23 of 1955) (hereinafter referred as the said Act), the Central Government, by the following Order, accords its sanction, namely:-

1. (1) This Order may be Called the **Acquisition of State Bank of Indore Order, 2010.**
 (2) It shall come into force on the-thirtieth day from the date of its publication in the Official Gazette (hereinafter referred to as the effective date).
2. On and from the effective date, the undertaking of the Transferor Bank, as it stood before the effective date shall, without any further act, instrument or deed, stand transferred to, and vest in the Transferee Bank.
3. The undertaking of the Transferor Bank which is transferred to and vests in the Transferee Bank shall be deemed to include all business, assets, rights, powers, authorities, licenses, permits, approvals, permissions, incentives, loans, subsidies, concessions, grants, liberties, special status and other privileges and all properties, namely, movable and immovable, real and personal, corporeal and incorporeal, goodwill, copyright, all rights under the intellectual property, in possession or reservation, present or contingent of whatever nature and wheresoever situate, including lands, buildings (including commercial and residential), fixtures, vehicles, cash balances, deposits, foreign currencies, disclosed and undisclosed reserves, reserve fund, special fund, benevolent reserve fund, any other fund, stocks, investments, shares, dividends, bonds, debentures, security, management of any industrial concern, loans, advances and guarantees given to industrial concerns, other tenancies, leases and book-debts and all other rights and interest arising out of such property as were immediately before the effective date in the ownership, possession or power of the Transferor Bank within or outside India, all books of account, registers, records and documents relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind within or outside India then subsisting of the Transferor Bank whether secured or unsecured, along with any charge, encumbrance, lien or security thereon or in respect thereof.
4. All contracts, deeds, bonds, guarantees, agreements, assurances, powers-of- attorney, other instruments of whatsoever nature and working arrangements subsisting immediately before the effective date shall be of as full force and effect against or in favour of the Transferee Bank and enforceable as fully and effectually as if, instead of the Transferor Bank, the Transferee Bank had been named therein or had been a party thereto and it shall not be necessary to obtain the

consent of any third party or other person
or arrangements to give

who is a party to any of the aforesaid instruments
effect to the provisions of this paragraph.

5. Any proceeding or cause of actions, suits, decrees, recovery certificates, appeals and all other legal proceedings pending before any court or tribunal or any other authority by or against the Transferor Bank may, as from the effective date, be continued and enforced by or against the Transferee Bank in which the Transferor Bank has vested by virtue of this Order as it Might have been enforced by or against the Transferor Bank as if this Order had not been in force and shall cease to be enforceable by or against the Transferor Bank.

6. (a) On and from the effective date, in consideration of the transfer and Vesting of the entire undertaking of the Transferor Bank in the Transferee Bank in terms of this Order, the Transferee Bank shall, subject to the provisions of this Order, and without any further application, act or deed, issue and allot, in accordance with all applicable laws or regulations, thirty-four equity shares of the face value of ten rupees each credited as fully paid up in the capital of the Transferee Bank to those members of the Transferor Bank excluding the Transferee Bank and its nominees (the Non-Transferee Bank Shareholders) whose names are recorded in the register of members and the records of the depository as members of the Transferor Bank on a date to be fixed by the Board of the Transferee Bank or its Executive Committee after the issuance of this Order (hereinafter referred to as record date) for every hundred shares of the face value of ten rupees each held by the Non-Transferee Bank Shareholders in the Transferor Bank:
Provided that-

(i) where a Non-Transferee Bank Shareholder holding in the Transferor Bank is such that such shareholder becomes entitled to a fraction of an equity share of the Transferee Bank, the Transferee Bank shall not issue fractional share certificates to such shareholder but shall pay to such shareholder, cash equal to the value of such fractional share determined in accordance with the valuation of the shares of the Transferee Bank as has already been conducted.

(ii) If there are any pending share transfers, whether lodged or outstanding, of any Non-Transferee Bank Shareholder on the record date, the Central Board or any committee of the Transferee Bank shall be empowered in appropriate cases, even after the completion of the record date or the effective date, to give effect to such transfer of shares in the Transferee Bank as if such changes were operative as on the record date in order to remove any difficulties arising to the transferor or transferee of the share in the Transferee Bank after the effective date.

(b) The shares of the Transferee Bank issued to the Non-Transferee Bank Shareholders as specified in sub-paragraph (a) shall rank for dividend, voting rights and in all other respects, at an equal basis with the existing shares, of the Transferee Bank on and from the effective date and shall, subject to applicable regulations, be listed or admitted to trading on the relevant stock exchanges in India, where the existing equity shares of the Transferee Bank are listed or admitted to trading.

(c) On and from the effective date-

(i) The share capital of the Transferee Bank shall stand enhanced to the extent of the face value of the shares issued to the Non Transferee Bank Shareholders or their nominees pursuant to the provisions of sub-paragraph (a);

- (ii) The entire share capital of the Transferor Bank shall, without any further act, deed or instrument, stand cancelled and the share certificates representing such shares shall, without any further act, deed or instrument, be deemed to be automatically cancelled, extinguished and be of no effect;
- (iii) The shares of the Transferor Bank shall be delisted from stock exchanges in India where they are listed or admitted to trading;

Provided that trading in the shares of the Transferor Bank shall cease on the record date;

- (iv) Whole time directors, including the Managing Director, of Transferor Bank shall, without any further act, instrument or deed, cease to hold office and the Board of Directors of the Transferor Bank shall stand dissolved.

7. Every permanent officer or other permanent employee of the Transferor Bank, including the officers or employees on [probation (except the Board of Directors and Executive Trustees) serving in the employment of the Transferor Bank immediately before the effective date shall hold his office or service therein in the Transferee Bank on such terms and conditions as may be approved by the Central Board of the Transferee Bank and shall continue to work as an officer or, as the case may be, employee of the Transferee Bank.

Provided that the pay and allowances offered to the officers or employees of the Transferor Bank shall not be less than the overall pay and allowances as they would have drawn in the Transferor Bank.

8. The officers or employees of the Transferor Bank shall be given an offer of employment or option letter in writing by the Transferee Bank and where an officer or other employee of the Transferor Bank does not exercise any option, within a period of fifteen days from the date of the option letter given for exercising the option, to be in the employment of the Transferee Bank, such officer or employee shall be deemed to have accepted to continue in the service of the Transferee Bank.

9. Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947) or in any other law for the time being in force, the transfer of the services of any officer or other employee of the Transferor Bank to the Transferee Bank shall not entitle such officer or other employee to any compensation under the provisions of the said Industrial Disputes Act, 1947 (14 of 1947) or any other law for the time being in force and no such claim shall be entertained by any court, tribunal or any other authority.

10. The officers or other employees who have retired before the effective date from the service of the Transferor Bank or opted not to join in the service of the Transferee Bank, on the effective date and entitled to any benefits, -rights or privileges from Transferor Bank, shall be entitled to receive such benefits, rights or privileges from the Transferee Bank:

Provided that any officer or employee of the Transferor Bank who opt not to join the service of the Transferee Bank shall not be entitled to notice or compensation, whether for retrenchment or otherwise (including for loss of office or employment or premature termination of his or her contract of employment with the Transferor Bank).

11. The Provident Fund or the Gratuity Fund or the Pension Fund or any other Funds of Transferor Bank and any other bodies created, established or constituted, as the case may be, for the officers or other employees shall continue with the Transferee Bank and any income tax or other tax exemption granted to the Provident Fund or the Gratuity Fund or the Pension Fund or any other funds, if any, shall continue to be applied to the Transferee Bank.

12. Notwithstanding anything contained in the State Bank of India Act, 1955 (23 of 1955) or the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959) or any other law for the time being in force or the regulations of the Transferor Bank or the Transferee Bank, the Chairman, the Trustees, Executive Trustees or any other person entitled to manage the whole or substantial part of the business and the affairs of the Transferor Bank shall not be entitled to any compensation against the Transferor Bank or Transferee Bank, as

the case may be, for the loss of office or for the premature termination of any contract of employment entered into by him with the Transferor Bank.

13. The Transferee Bank, either through its Central Board or its Executive Committee, may give such directions as they may consider necessary to settle any questions or difficulty arising in relation to the meaning or interpretation of this Order, for due and complete implementation and for removing any difficulty as may arise in the course of implementation of this Order and other matters connected therewith.

[F. No. 26/1/2009-BOA]
ALOK NIGAM, Jt. Secy.

