

The New Bank Of India (Amalgamation And Transfer Of Undertakings) Scheme, 1993

UNION OF INDIA

India

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THE-NEW-BANK-OF-INDIA-AMALGAMATION-AND-TRANSFER-OF-UN of 1993

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The New Bank Of India (Amalgamation And Transfer Of Undertakings) Scheme, 1993 Published vide S.O. 662(E), dated 4.9.1993, published in the Gazette of India, Ext., Pt. II, Section 3(ii), dated 4.9.1993.

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In exercise of the powers conferred by section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), the Central Government, after consultation with the Reserve Bank of India, hereby makes the following Scheme, namely:-

Brought into force on 4.9.1993 vide S.O. 663(E), dated 4.9.1993.

Chapter I

Introductory

1. Short title and commencement .-(1) This Scheme may be called The New Bank of India (Amalgamation and Transfer of Undertakings) Scheme, 1993.

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

2. Definitions .-In this Scheme, unless the context otherwise requires,-

(a)"Act" means the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980);(b)"Board" means the Board of Directors constituted under clause (3) of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1980;(c)"Chairman" in relation to a nationalised bank means the Chairman of the Board of that bank;(d)"transferee bank" means Punjab National Bank;(e)"transferor bank" means New Bank of India;(f)words and expressions used herein and not defined but defined in the Act have the meanings respectively assigned to them in the Act.

Chapter II

3. Undertakings of New Bank of India to vest in Punjab National Bank .-On the commencement of this Scheme, the undertakings of New Bank of India shall be transferred to, and shall vest in, Punjab National Bank.

4. General effect of vesting .-(1) The undertakings of the transferor bank shall be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, cash balances, capital, reserve funds, investments and all other rights and interests in, or arising out of such property as were immediately before the commencement of this Scheme in the ownership, possession, power or control of the transferor bank in relation to the undertakings, whether within or outside India, and all books of accounts, registers, records and all other documents of whatever nature relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the transferor bank in relation to the undertakings.

(2)Where any property is held by the transferor bank under any lease the transferee bank shall on and from the date of commencement of this Scheme be deemed to have become the lessee in respect of such property as if the lease in relation to such property had been granted to the transferee bank and thereupon all the rights under such lease shall be deemed to have been transferred to, and vested in, the transferee bank:Provided that on the expiry of the term of any lease referred to in this sub-clause such lease shall, if so desired by the transferee bank, be renewed on the same terms and conditions on which the lease was held by the transferor bank immediately before the date of commencement of this Scheme.(3)If, according to the laws of any country outside India, the provisions of this Scheme by themselves are not effective to transfer or vest any asset or property situated in that country which forms part of the undertakings of the transferor bank to, or in, the transferee bank, the affairs of the transferor bank in relation to such asset or liability shall, on and from the commencement of this Scheme stand entrusted to the Chief Executive Officer for the time being of the transferee bank, and the Chief Executive Officer may exercise all powers and do all such

acts and things as may be exercised or done by the transferor bank for the purpose of effectively transferring such assets and discharging such liabilities.(4)The Chief Executive Officer of the transferee bank shall, in exercise of the powers conferred on him by sub-clause (2), take all such steps as may be required by the laws of any such country outside India for the purpose of effecting such transfer or vesting, and may either himself or through any person authorised by him in this behalf realise any asset and discharge any liability of the transferor bank.(5)Unless otherwise expressly provided by this Scheme, all contracts, deeds, bonds, agreements, powers-of-attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect, immediately before the commencement of this Scheme and to which the transferor bank is a party or which are in favour of the transferor bank, shall be of full force and effect against or in favour of the transferee bank, and may be enforced or acted upon as fully and effectively as if in the place of the transferor bank the transferee bank had been a party thereto or as if they had been issued in favour of the transferee bank.(6)If, immediately before the commencement of this Scheme, any suit, appeal or other proceedings of whatever nature in relation to any business of the undertakings which have been transferred under clause 3, is pending by or against the transferor bank, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertakings of the transferor bank or of anything contained in this scheme but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the transferee bank.

5. Dissolution of the Board of Directors, etc .-(1) On and from the commencement of this Scheme-

(a)the Chairman or any other whole-time Director, including the Managing Director, of the transferor bank shall cease to hold office and shall be entitled to receive three months' salary and allowances in lieu of the notice of three months, specified in sub-clause (2) of clause 8 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1980;(b)the Board of Directors of the transferor bank shall stand dissolved.(2)Save as otherwise provided in this Scheme, every officer or other employee of the transferor bank shall become, on the commencement of this Scheme an officer or other employee, as the case may be, of the transferee bank and shall hold his office or service in that bank on the same terms and conditions and with the same rights to pension, gratuity and other matters as would have been admissible to him if the undertakings of the transferor bank had not been transferred to and vested in the transferee bank subject, however, to such facilities being available at the time of the transfer to similarly placed officers and employees of the transferee bank and continue to do so unless and until his employment in the transferee bank is terminated or until his remuneration, terms or conditions are duly altered by the transferee bank.(3)Any officer or other employee of the transferor bank who does not want to hold his office or service in the transferee bank under sub-clause (2) shall be entitled to leave his office or service on the same terms and conditions and with the same rights to pension, gratuity and other matters as would have been admissible to him if the undertaking of the transferor bank had not been transferred to and vested in the transferee bank.(4)The Central Government shall, as soon as possible after the commencement of the Scheme, make a scheme in consultation with Reserve Bank of India for determining the placement of the employees of the transferor bank including the determination of their inter se seniority vis-a-vis the employees of the transferee bank. While making the scheme the Central Government shall take account of relevant factors such as experience

of the employee of the transferor bank.(5)The trustees or administrators of any Provident Fund, Gratuity and such other funds constituted for the employees of the transferor bank, shall on, or as soon as possible after the commencement of this Scheme, transfer to the trustees of the Employees Provident Fund, Gratuity and any other fund, constituted for the transferee bank or otherwise as the transferee bank may direct, all monies and investments held in trust for the benefit of the employees of the transferor bank:Provided that such latter trustees shall not be liable for deficiency in the value of investments or in respect of any act, neglect or default done before the commencement of this Scheme.