

**Amalgamation of the Benares State Bank Ltd.
with Bank of Baroda**

On the application of the Reserve Bank of India under Sub-Section (1) of Section 45 of the Banking Regulation Act, 1949, the Central Government had made an Order of Moratorium in respect of the Benares State Bank Ltd. under Sub-Section (2) of the said Section with effect from the close of business on January 22, 2002 to July 21, 2002 (inclusive). During the period of moratorium, Reserve Bank of India had prepared a Draft Scheme of Amalgamation of the Benares State Bank Ltd. with Bank of Baroda, in exercise of the powers conferred on it by Sub-Section (4) of the said Section.

The said Scheme of Amalgamation has been sanctioned by the Central Government in terms of Sub-Section (7) of section 45 of the banking Regulation Act, 1949 vide Notifications F.No.15/2/2000-BOA(i) and F.No.15/2/2000-BOA(ii) dated 19 June 2002. The Scheme of Amalgamation shall come into force with effect from June 20, 2002. In terms of the above Notification, the existing depositors will be paid in accordance with the Scheme of Amalgamation from 19 July 2002 and onwards on completion of the evaluation of assets by Bank of Baroda for which a period of one month has been provided. It may be further stated that as per the provisions of the Scheme of Amalgamation, the payments of liabilities will be as under:

- (i) all the staff security deposits will be paid in full together with accrued interest,
- (ii) all other outside liabilities as on the prescribed date excluding deposits shall be paid or provided in full,
- (iii) Deposits upto Rs. 1 lakh will be paid in full by Bank of Baroda / Deposit Insurance & Credit Guarantee Corporation, and
- (iv) the balance of the deposits above Rs. 1 lakh will be paid pro-rata on the basis of the evaluation of assets of the Benares State Bank Ltd.

As per the scheme of amalgamation, the branches of the Benares State Bank Ltd. shall function as branches of Bank of Baroda from the aforesaid date.

**Ajit Prasad
Manager**

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