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Government of India
Ministry of Finance,
Department of Economic Affairs
(Banking Division)

New Delhi dated the 1, June 2006

NOTIFICATION

S.O (E)- Whereas the Central Government, after consultation with the National Bank for Agriculture and Rural Development (NABARD), **Government of Andhra Pradesh** and the **Syndicate Bank** being the Sponsor Bank of **Sree Anantha Grameena Bank, Rayalaseema Grameena Bank and Pinakini Grameena Bank** (Regional Rural Banks) is of the opinion that it is necessary in the public interest and in the interest of the development of the area served by the aforesaid Regional Rural Banks and also the interest of the said Regional Rural Banks themselves that the said Regional Rural Banks should be amalgamated into a single Regional Rural Bank.

Now, therefore, in exercise of the powers conferred by Sub-section (1) of Section 23 A of the Regional Rural Banks Act, 1976 (21 of 1976) hereinafter referred to as "the Act", the Central Government hereby provides for the amalgamation of the said Regional Rural Banks into a single Regional Rural Bank which shall come into effect on and from the date of publication of this notification in the Official Gazette (hereinafter referred to as the "effective date of amalgamation") with such constitution, property, powers, rights, interests, authorities and privileges; and with such liabilities, duties and obligations as specified hereunder:

1. The Sree Anantha Grameena Bank, Rayalaseema Grameena Bank and Pinakini Grameena Bank (hereinafter referred to as "the transferor Regional Rural Banks") sponsored by the **Syndicate Bank in the State of Andhra Pradesh** are hereby amalgamated into a single Regional Rural Bank which shall be called as **Andhra Pragathi Grameena Bank** (hereinafter referred to as "the transferee Regional Rural Bank") with its head office at Kadapa.

2. The authorised capital of the transferor Regional Rural Bank shall be rupees five crore divided into five lakh number of fully paid shares of rupees one hundred each. The subscribed share capital of the transferee Regional Rural Bank shall be equal to the subscribed share capital of transferor Regional Rural Banks and therefore, the entire subscribed share capital of the transferor Regional Rural Banks shall be deemed to have been transferred to and shall be deemed as subscribed share capital of the transferee Regional Rural Bank. The entire share capital and share capital deposit of the transferee Regional Rural Bank shall be as under:

a) Central Government	--	Rupees one hundred and fifty lakh
b) State Government	--	Rupees forty five lakh
c) Sponsor Bank	--	Rupees one hundred and five lakh; and
d) Share Capital Deposit	--	Rupees thirty nine crore thirty four lakh and twenty six thousand

3. From the effective date of amalgamation, the transferor Regional Rural Banks viz. **Sree Anantha Grameena Bank, Rayalaseema Grameena Bank and Pinakini Grameena Bank** shall cease to carry on the business including that of making any payment to any depositors or discharge any liability or obligation to the creditors except to the extent as may be necessary for implementation of

the provisions of the amalgamation as per this notification.

4 (i) From the effective date of amalgamation, the undertakings of the transferor Regional Rural Banks shall be transferred to and shall vest in the transferee Regional Rural Bank;

(ii) The undertakings of the transferor Regional Rural Banks shall include all assets, rights, powers, authorities and privileges and all property movable and immovable, cash balance, reserve funds, investments and all other rights and interest in or arising out of such property, as are immediately before the commencement of this notification, in the ownership, possession, power or control of the transferor Regional Rural Banks 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 Regional Rural Banks;

iii) All contracts, deeds, bonds, agreements, guarantees, powers of attorney, grants of legal representation and other instruments of whatsoever nature subsisting or having effect immediately before the commencement of this notification and to which the transferor Regional Rural Banks are a party or which are in favour of the transferor Regional Rural Banks shall be in full force and effect against or in favour of the transferee Regional Rural Bank and may be enforced or acted upon as fully and effectively as if in the place of the transferor Regional Rural Banks, the transferee Regional Rural Bank has been a party thereto or as if they had been issued in favour of the transferee Regional Rural Bank;

(iv) If, on the effective date of amalgamation, any suit, appeal or other proceedings of whatsoever nature in relation to any business of the transferor Regional Rural Banks are pending by, or against to, the transferor Regional Rural Banks, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the transferor Regional Rural Banks or of anything contained in this notification, but the suit, appeal or other proceedings may be continued, prosecuted and enforced by, or against, the transferee Regional Rural Bank;

(v) Any reference to the transferor Regional Rural Banks in any agreement, contract, conveyance, assurance, power of attorney or any other document of whatsoever nature shall be deemed to be a reference to the transferee Regional Rural Bank and the rights and obligations of the transferor Regional Rural Banks shall be deemed to be the rights and obligations of the transferee Regional Rural Bank.

5 (i) In respect of every savings bank account or current account or any other deposit account including a fixed deposit, cash certificate, monthly deposit, deposit payable at call or short notice or any other deposits by whatever name called with the transferor Regional Rural Bank, the transferee Regional Rural Bank shall open with itself on the effect date of amalgamation a corresponding and similar account in the name of the respective holder(s) thereof crediting thereto full amount including interest to the extent payable.

Provided that where the transferee Regional Rural Bank entertains a reasonable doubt about the correctness of the entries made in any particular account, it may with the approval of the Sponsor Bank withhold the credit to be made in that account for a period not exceeding three months from the effective date of amalgamation within which the transferee bank shall ascertain the correct balance in such account.

(ii) In respect of every other liability, notwithstanding anything contained in the Transfer of the Property Act 1882, or the Registration Act, 1908, this notification shall be sufficient conveyance, in accordance with the provisions of this notification, of the business, properties, assets and liabilities,

rights, interests, powers, privileges, benefits and obligations of whatever nature of the transferor Regional Rural banks to the transferee Regional Rural Bank.

6. The service of all the employees of the transferor Regional Rural Banks (excepting such of them as not being workmen within the meaning of the Industrial Disputes Act, 1947) shall continue in the transferee Regional Rural Bank at the same remuneration and on the same terms and conditions of service, which they were getting or, as the case may be, by which they were governed immediately before the effective date of amalgamation. The inter-se-seniority of officers and employees, directly recruited and/or promoted, to be decided by the Committee representing the sponsor bank and the National bank for Agriculture and Rural Development.

7. The transferee Regional Rural Bank shall have the powers to post the employees in the interest of the bank and the public as a whole anywhere in the entire area of operation of the transferee Regional Rural Bank.

8. The area of operation of the transferee Regional Rural Bank shall be the combined area of operation of the transferor Regional Rural Banks viz. **Sree Anantha Grameena Bank, Rayalaseema Grameena Bank and Pinakini Grameena Bank in Anantapur, Kadapa, Kurnool, Prakasam and Nellore Districts of the State of Andhra Pradesh.**

9. Unless otherwise expressly provided in this notification, the provisions of the Act shall have the same effect on the transferee Regional Rural Bank as if it has been established under sub-section (i) of section 3 of the Act.

10. If any difficulty arises in giving effect to the provisions of this notification, the Central Government may make such order, not inconsistent with the provisions of the Act, as may appear to it to be necessary for the purpose of removing such difficulty.

F.No.1/4/2006-RRB(ii)

Sd/- xx xx

(G.C.Chaturvedi)

Joint Secretary to the Government of India