



Approval to hold a stake in a financial sector company of more than 15%

Financial Sector (Shareholdings) Act 1998

SINCE

- A. The Government of India (the applicant) has applied to the Treasurer under section 13 of the *Financial Sector (Shareholdings) Act 1998* (the Act), for approval to hold a stake of more than 15% in Bank of Baroda ARBN 125 314 249 (the Company), a financial sector company under the Act; and
- B. I am satisfied that it is in the national interest to approve the applicant holding a stake in the Company of more than 15%,

I, Keith Chapman, a delegate of the Treasurer, under subsection 14(1) of the Act, APPROVE the applicant holding a stake in the Company of 60 %.

This Approval commences on the date it is signed and remains in force indefinitely.

Dated: 16 October 2012

[Signed]

Keith Chapman
Executive General Manager
Diversified Institutions Division

In this Notice:

financial sector company has the meaning given in section 3 of the Act.

stake in relation to a company, has the meaning given in clause 10 of Schedule 1 to the Act.

unacceptable shareholding situation has the meaning given in section 10 of the Act.

Note 1 Under paragraph 16(2)(a) of the Act, the Treasurer may, by written notice given to a person who holds an Approval under section 14, impose one or more conditions or further conditions to which the Approval is subject. Under paragraph 16(2)(b) of the Act, the Treasurer may revoke or vary any condition imposed under paragraph 16(2)(a) of the Act or specified in the Notice of Approval. The Treasurer's power under subsection 16(2) of the Act may be exercised on the Treasurer's own initiative or on application made to the Treasurer in accordance with the requirements of subsection 16(4) of the Act, by the person who holds the Approval (see subsection 16(3) of the Act).

Note 2 A person who holds an Approval under section 14 may apply to the Treasurer under section 17(1) of the Act, to vary the percentage specified in the Approval.

Note 3 Under subsection 17(6) of the Act, the Treasurer may, on the Treasurer's own initiative, by written notice given to a person who holds an Approval under section 14, vary the percentage specified in the Approval if the Treasurer is satisfied that it is in the national interest to do so.

Note 4 The circumstances in which the Treasurer may revoke a person's Approval under section 14 are set out in subsection 18(1) of the Act.

Note 5 Section 19 of the Act provides for flow-on approvals. If an Approval has been granted for the holding of a stake in a financial sector company and the financial sector company is a holding company for an authorised deposit-taking institution or an authorised insurance company, then an approval is taken to exist for the holding of a stake of equal value in each financial sector company that is a 100% subsidiary of the holding company.

Note 6 Under section 14 of the Act, the Treasurer must give written notice of this Approval to the applicant and financial sector company concerned, and must publish a copy of this Notice in the *Gazette*.

Note 7 Under section 11 of the Act, a person or 2 or more persons under an arrangement are guilty of an offence if the person(s) acquires shares in a company and the acquisition has the result, in relation to a financial sector company, that:

- (i) an unacceptable shareholding situation comes into existence; or
- (ii) if an unacceptable shareholding situation already exists in relation to the company and in relation to a person – there is an increase in the stake held by the person in the company;

and the person(s) was reckless as to whether the acquisition would have that result. A maximum penalty of 400 penalty units applies or by virtue of subsection 4B(3) of the *Crimes Act 1914*, in the case of a body corporate, a penalty not exceeding 2,000 penalty units. By virtue of section 39 of the Act, an offence against section 11 is an indictable offence.