പതിനാലാം കേരള നിയമസഭ പതിമൂന്നാം സമ്മേളനം

നക്ഷത്രചിഹ്നമിടാത്ത ചോദ്യം നം. 2586

06/12/2018-ൽ മറുപടിയ്ക്

കേരള ബാങ്ക് രൂപീകരണ ഉത്തരവുകൾ

<u> </u>	ചോദ്യം	മറുപടി	
ļ	ശ്രീ.പി.സി. ജോർജ്	ശ്രീ. കടകംപള്ളി സുരേന്ദ്രൻ (സഹകരണവും വിനോദസഞ്ചാരവും ദേവസ്വവും വകപ്പ് മന്ത്രി)	- -
(₍₄₎)	കേരള ബാങ്ക് ഇടങ്ങുന്നതിനായി കേന്ദ്രസർക്കാരിന്റെ അന്ദമതി ലഭിച്ചിട്ടുണ്ടോം എങ്കിൽ കേന്ദ്ര സർക്കാരിന്റെയും ആർ.ബി.ഐ. യുടെയും അന്മമതി ഉത്തരവുകളുടെ പകർപ്പുകൾ ലഭ്യമാക്കുമോം	(എ) ആർ.ബി.ഐ.യുടെ തത്വത്തിലുള്ള അനമ ലഭിച്ചിട്ടുണ്ട്. ആർ.ബി.ഐ. ചീഫ് ജനാ മാനേജരുടെ 3.10.2018-ലെ DCBR.CO.RC NO.1007/19.51.007/2018-19 നമ്പർ കത്തിന്റെ പകര അനുബന്ധമായി ഉള്ളടക്കം ചെയ്തിരിക്കുന്നു.	ാൽ BD.
(ബി)	കേരള ബാങ്ക് തുടങ്ങുമ്പോൾ സഹകരണമേഖലയിലെ മറ്റ് ബാങ്കുകൾക്ക് ഉണ്ടാകുന്ന പ്രശ്നങ്ങളെപ്പറ്റി ഏതെങ്കിലും പഠനം നടത്തിയിട്ടുണ്ടോ; എങ്കിൽ പ്രസ്തൃത പഠന റിപ്പോർട്ട് ലഭ്യമാക്കുമോ?	(ബി) ഇല്ല. കേരളാ ബാങ്ക് രൂപീകരിക്കപ്പെടുമ്പേ സഹകരണമേഖലയുടെ സർവ്വതോന്മുഖമ വികസനവും വളർച്ചയും ഉണ്ടാകമെന്നാ കണക്കുക്കട്ടിയിട്ടുള്ളത്.	ായ

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...File No.Co-Op-B2/541/2018-Co-Op eipt No 22978072/2018/OS (CO-O

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भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA

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मुख्य महाप्रबंधक

Chief General Manager

DCBR.CO.RCBD.No.(007/19.51.007/2018

By Speed Post

The Chief Secretary Government of Kerala Secretariat Thiruvananthapuram - 695001

Dear Sir.



Delayering of Short- Term Co-operative Credit Structure (STCCS)- Amalgamation of Fourteen District Central Co-operative Banks (DCCBs) with Kerala State Co-operative

Please refer to your DO letter No: Co-op - 82/633/2017/ Co-op dated August 31, 2017 requesting "in principle" approval for amalgamation of 14 DCCBs of Kerala with Kerala State Co-operative Bank (KStCB). We also invite reference to the correspondence resting with your letter No. Co-Op-B2/378/2018 dated August 6, 2018 on the subject.

2 In this connection, we advise that, keeping in view the State Government's commitment to address the various financial, regulatory and governance issues raised by us, we are agreed ble "in-principle" to the proposal of Government of Kerala to amalgamate the 14 DCCBs with the KStCB. However, our final approval, and consequential licensing of the branches of the DCCBs as KStCB branches is contingent on prior fulfilment of conditions indicated in the annex to this letter and such additional conditions as NABARD may impose.

- 3. We further advise that the KStCB may approach RBI through NABARD for final approval with the status of compliance on all the applicable conditions for amalgamation.
- 4. The process may be completed before March 31, 2019.

Yours faithfully,

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(Neeral Nigam)

Chief General Manager

Encl: As above

वहकारी बैंक विनिधमन विभाप, केंद्रीय कार्यालय, सी-?, पहली मंज़िल, बांद्रा-कुर्ला संकुल, बांद्रा (पूर्व), मुंबई - 400 051. पारत स्तेत: 022-022-2657 1112 केल्स: 022-2657 1117 ई-मेल: ogradobroo@rbi.org.in

Department of Cooperative Sank Re

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Annex

Conditions for grant of "in-principle" approval for amalgamation of 14 DCCBs in Kerala with Kerala State Co-operative Bank Ltd. (KStCB)

- (i) The due process as required under the provisions of the State Cooperative Societies Act and the State Cooperative Societies Rules as adopted by the Kerala Government shall be followed. At every stage the provisions of the Kerala Co-operative Societies Act must be complied with.
- (ii) Government of Kerala shall verify that there are no Court Orders prohibiting or staying the proposal for amalgamation of the 14 DCCBs with KStCB.
- (iii) A scheme of amalgamation has to be prepared by the KStCB and the DCCBs are to present the same to their members and creditors.
- (iv) A resolution passed by a two third majority of the members present and voting at a General Body meeting of StCB and each DCCBs shall be a prerequisite for amalgamation for StCB and all DCCBs.
- (v) A MOU shall be executed between the constituents i.e. all 14 DCCBs, KStCB and Government of Kerala covering issues of governance structure, management, manpower/HR issues, amicable solution of asset and liabilities of each bank to KStCB.
- (vi) The share capital of the KStCB has to be strengthened so as to ensure sustained net worth of the bank and ongoing compliance with capital regulations post-merger. The amalgamated entity shall strictly adhere to the CRAR norms of RBI for cooperative banks. The shortfall in capital or additional capital, if any, for meeting CRAR, net worth etc. shall be met by State Government on an ongoing basis.
- (vii) The balance sheet of the amalgamated bank should meet with the regulatory requirements laid down for grant of various permissions/approvals so that none of the services (being provided by the DCCBs) are jeopardized. The required permissions for the said services may be obtained, if required, before the actual functioning of the amalgamated entity.
- (viii)The impaired assets due to trauds, misappropriation etc. have to be fully provided for.
- (ix) The valuation of assets and liabilities have to be reviewed for all banks, including KStCB. Once the valuation is completed, the loss assets have to

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be written off or fully provided for in the respective balance sheet of the banks and the real net worth including the revaluation of tangible assets has to be ascertained.

- (x) In case of divergence in interest rate between the StCB and DCCBs, the StCB shall provide sufficient notice period to the customers of DCCBs.
- (xi) KStCB must get their technology in place for smooth transfer of services to the existing clients with carefully configured software to enable the system integration with all DCCBs.
- (xii) The migration audit of the all the DCCBs has to be completed within a given time frame, before the amalgamation. The system integrity should be established and certified before the DCCBs can migrate into the KStCB platform.
- (xiii)The CEO of the merged bank should be appointed as per the Fit & Proper criteria prescribed by RBI. There shall be 2 professional directors on the Board.
- (xiv) A Board of Management (BoM) shall be set up for KStCB on the lines of draft guidelines for BoM proposed for Urban Co-operative Banks, in consultation with RBI. Accordingly, Government of Kerala may suitably amend the bye-laws for introducing BoM in the KStCB or provisions of the State Co-operative Societies Act, as may be required.
- (xv) The licence issued to the KStCB will continue after the process of amalgamation. Existing branches of the DCCBs shall be converted into branches of the KStCB and will come under the purview of Section 23 of the BR Act, 1949 (AACS). Thus the KStCB will be required to apply for branch licence from RBI. The KStCB should also seek prior approval of RBI for shifting of branches. DCCBs shall surrender their licenses to RBI.
- (xvi) DICGC clearance shall be obtained by KStCB for the proposal.
- (xvii) Government of Kerala shall communicate to RBI a time-frame for phasing out its Treasury Saving Bank (TSB). DCCBs and KStCB shall not keep their funds as deposits in the TSB.
- (xviii) GoK shall ensure that no new Co-operative society will be registered with the word "Bank" as part of its name.
- (xix) KStC8 may approach RBI through NABARD for final approval with the status of compliance on all the applicable conditions for amalgamation.

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