

15 -ാം കേരള നിയമസഭ

8 -ാം സമ്മേളനം

നക്ഷത്ര ചിഹ്നം ഇല്ലാത്ത ചോദ്യം നം. 2633

27-02-2023 - ൽ മറുപടിയ്ക്ക്

ജില്ല സഹകരണ ബാങ്കുകളുടെ ലയനം

ചോദ്യം		ഉത്തരം	
ശ്രീ. തിരുവഞ്ചൂർ രാധാകൃഷ്ണൻ		ശ്രീ. വി.എൻ വാസവൻ (സഹകരണ- രജിസ്ട്രേഷൻ വകുപ്പ് മന്ത്രി)	
(എ)	<p>ജില്ല സഹകരണ ബാങ്കുകളെ സംസ്ഥാന സഹകരണ ബാങ്കിൽ ലയിപ്പിച്ച് കേരള ബാങ്ക് എന്ന രീതിയിൽ പ്രവർത്തിക്കുന്നതിന് റിസർവ് ബാങ്ക് അനുമതി നൽകിയത് സംബന്ധിച്ച രേഖയുടെ പകർപ്പ് ലഭ്യമാക്കുമോ;</p>	(എ)	<p>റിസർവ് ബാങ്കിന്റെ 03.10.2018 തീയതിയിലെ കത്ത് പ്രകാരം കേരളത്തിലെ 14 ജില്ലാ സഹകരണ ബാങ്കുകളെ കേരള സ്റ്റേറ്റ് കോ-ഓപ്പറേറ്റീവ് ബാങ്ക് ലിമിറ്റഡുമായി (കെ.എസ്.സി.ബി) ലയിപ്പിക്കുന്നതിന് "തത്വത്തിൽ" അനുമതി നൽകിയിരുന്നു. പകർപ്പ് അനുബന്ധമായി ചേർക്കുന്നു.</p> <p>നിയമപരമായ നടപടികൾ പൂർത്തീകരിക്കുകയും റിസർവ് ബാങ്ക് നിർദ്ദേശിച്ച നിബന്ധനകളെല്ലാം പാലിക്കുകയും ചെയ്ത് നൽകിയ അന്തിമ അപേക്ഷ പരിഗണിച്ചാണ് ലയനത്തിന് അനുമതി നൽകിയിട്ടുള്ളത്.</p>
(ബി)	<p>ബാങ്കുകളുടെ ലയനത്തിന് റിസർവ് ബാങ്ക് മുന്നോട്ടുവെച്ച നിബന്ധനകൾ എന്തൊക്കെയായിരുന്നു; ഏതൊക്കെ നിബന്ധനകൾ പാലിച്ചതിന്റെ അടിസ്ഥാനത്തിലാണ് അനുമതി ലഭിച്ചത് എന്ന് വ്യക്തമാക്കുമോ?</p>	(ബി)	<p>റിസർവ് ബാങ്കിന്റെ 03.10.2018 തീയതിയിലെ കത്ത് പ്രകാരം കേരളത്തിലെ 14 ജില്ലാ സഹകരണ ബാങ്കുകളെ കേരള സ്റ്റേറ്റ് കോ-ഓപ്പറേറ്റീവ് ബാങ്ക് ലിമിറ്റഡുമായി (കെ.എസ്.സി.ബി) ലയിപ്പിക്കുന്നതിന് "തത്വത്തിൽ" അനുമതി നൽകിയിരുന്നു. പകർപ്പ് അനുബന്ധമായി ചേർക്കുന്നു.</p> <p>നിയമപരമായ നടപടികൾ പൂർത്തീകരിക്കുകയും റിസർവ് ബാങ്ക് നിർദ്ദേശിച്ച നിബന്ധനകളെല്ലാം പാലിക്കുകയും ചെയ്ത് നൽകിയ അന്തിമ അപേക്ഷ പരിഗണിച്ചാണ് ലയനത്തിന് അനുമതി നൽകിയിട്ടുള്ളത്.</p>

സെക്ഷൻ ഓഫീസർ

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

Secy (Co-op)

मुख्य महाप्रबंधक
Chief General Manager

DCBR.CO.RCBD No. 102/19.51.007/2018-19

By Speed Post

The Chief Secretary
Government of Kerala
Secretariat
Thiruvananthapuram - 695001



October 03, 2018



Dear Sir,

Delaying of Short-Term Co-operative Credit Structure (STCCS)- Amalgamation of
fourteen District Central Co-operative Banks (DCCBs) with Kerala State Co-operative
Bank (KSICB)

Please refer to your DO letter No. Co-op - B2/633/2017/ Co-op dated August 31, 2017 requesting "in principle" approval for amalgamation of 14 DCCBs of Kerala with Kerala State Co-operative Bank (KSICB). 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 agreeable "in-principle" to the proposal of Government of Kerala to amalgamate the 14 DCCBs with the KSICB. However, our final approval, and consequential licensing of the branches of the DCCBs as KSICB 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 KSICB 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,

(Neeraj Nigam)
Chief General Manager
Encl: As above



सहकारी बैंक विनियमन विभाग, केन्द्रीय कार्यालय, सी-7, पहली मंजिल, बंद्रा-कुर्ला-कॉम्प्लेक्स, बंद्रा (पूर्व), मुंबई - 400 051, भारत
फ़ोन: 022-022-2657 1112 फ़ैक्स: 022-2657 1117 ई-मेल: cgmdcbrc@rbi.org.in



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) ^{Kerala} 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 pre-requisite 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 frauds, 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



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) KStCB may approach RBI through NABARD for final approval with the status of compliance on all the applicable conditions for amalgamation.



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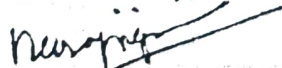
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Department of Cooperative Bank Regulation, Central Office, C-7, 1st Floor, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, INDIA
Tel: 022-2657 1112 Fax: 022-2657 1117 E-mail: cgmdcbrc@rbi.org.in



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