

PROCEEDINGS OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES,
THIRUVANANTHAPURAM, KERALA
PRESENT: Dr.P.K.Jayasree IAS

No. CB (5) 784/2019

Dated, Thiruvananthapuram, 29.11.2019

Sub: - Department of Co-operation – Delaying of Short Term Co-operative Credit Structure in Kerala - Amalgamation by transfer of assets and liabilities of 13 District Co-operative Banks (DCBs) in Kerala with Kerala State Co-operative Bank (KSCB) Ltd. - sanction accorded – orders issued.

- Ref:-
- 1) G.O(Rt)No.488/2016/Co-op. dated 28/09/2016.
 - 2) Letter No.Co-op-B2/633/2017/Co-op. dated 31/8/2017 addressed to RBI.
 - 3) Letter No.DCBB.CO.RCBD.No.1007/19.51.007/ 2018-19 of Reserve Bank of India Dated 03.10.2018.
 - 4) G.O. (MS) No. 36/2018/Co-op. dated 12/10/2018
 - 5) KSCB/PDD/KB/256/3393/2018-2019 of KSCB dated 5/2/2019.
 - 6) Resolution No.1,2,3 adopted by the special General Body of Thiruvananthapuram DCB dated 7/3/2019 .
 - 7) Resolution No. 1,2,3 adopted by the special General Body meeting of Kollam DCB dated 7/3/2019.
 - 8) Resolution No. 1,2, 3 adopted by the special General Body meeting of Pathanamthitta DCB dated 7/3/2019.
 - 9) Resolution No. 1,2,3 adopted by the special General Body of Alappuzha DCB dated 7/3/2019 .
 - 10) Resolution No. 1,2,3 adopted by the special General Body of Kottayam DCB dated 7/3/2019 .
 - 11) Resolution No.1,2,3 adopted by the special General Body of Idukki DCB dated 7/3/2019.
 - 12) Resolution No. 1,2,3 adopted by the special General Body of Ernakulam DCB dated 7/3/2019.

- 13) Resolution No.1,2,3 adopted by the special General Body of Thrissur DCB dated 7/3/2019.
- 14) Resolution No. 1,2,3 adopted by the special General Body of Palakkad DCB dated 7/3/2019.
- 15) Resolution No. 1,2,3 adopted by the special General Body of Kannur DCB dated 7/3/2019.
- 16) Resolution No. 1,2,3 adopted by the special General Body of Kozhikkode DCB dated 7/3/2019.
- 17) Resolution No. 1,2,3 adopted by the special General Body of Wayanad DCB dated 7/3/2019.
- 18) Resolution No. 1,2,3 adopted by the special General Body of Kasaragod DCB dated 7/3/2019.
- 19) Resolution No. 3 adopted by the Kerala State Co-operative Bank Limited dated 26/3/2019.
- 20) Letter No.Co-op.B2/8/2019/Co-op. dated 30.3.2019 addressed to Reserve Bank of India.
- 21) Letter No. DCBR.CO.RCBD.No.1015/19.51.007/2019-20 of the Reserve Bank of India dated 7/10/2019.
- 22) G.O(Rt)No.665/2019/Co-op. dated.15.11.2019.
- 23) Common Judgment of the Honorable High Court in WP(C) 39749/2017, 3960/2019, 4052/2019, 4228/2019, 4229/2019, 4240/2019, 5650/2019, 5651/2019, 5793/2019, 5831/2019, 6241/2019, 6308/2019, 6409/2019, 6512/2019, 6730/2019, 6736/2019, 9491/2019, 5902/2018, 19166/2019, 28791/2019.
- 24) Letter No. Co-op/B2/81/2019 dated 29.11.2019.

There have been significant changes in the rural co-operative credit structure worldwide in the recent past. The existence of two higher tiers in the Short Term Co-operative Credit Structure (STCCS) in Kerala viz., Kerala State Co-operative Bank (KSCB) at apex level and District Co-operative Banks (DCBs) at middle level adds to the cost on interest without offering any significant benefits to the lower tier, viz., Primary Agricultural Credit Societies (PACS).

Statutory requirements to be met in respect of maintaining CRR and SLR, by both middle and upper tiers, results in locking up of scarce resources. Moreover, DCBs at the middle level and KSCB at the apex level are not structurally, financially and technologically viable to steer the STCCS in Kerala to meet the challenges ahead. Therefore the Government of Kerala has taken a decision to study the matter in detail.

In that back ground, vide Government Order read as (1) above, Government had appointed an Expert Committee chaired by Prof.M.S.Sriram, IIM, Bengaluru, to study various aspects of delayering of the present STCCS of the State from the existing three tier system to two tier, thereby allowing the formation of Kerala Co-operative Bank. The Expert Committee submitted a detailed report to the Government in which they suggested to establish a strong, vibrant, technology driven and professionally managed universal bank in the co-operative sector with proper governance and business plan by merging DCBs with the KSCB.

The Government on 30.06.2017 approved in principle the suggestion contained in the study report of the Expert Committee. Further the Government vide reference (2) above sought the 'in principle' approval of Reserve Bank of India (RBI) for merging the DCBs with the KSCB by transfer of assets and liabilities of the DCBs to KSCB.

After detailed examination the RBI vide reference (3) above has given 'in principle' approval to the proposal of Government of Kerala to amalgamate the 14 DCBs with the KSCB subject to the fulfillment of 19 conditions and the following were some of them.

- 1) 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 be followed. At every stage the provisions of Kerala Co-operative Societies Act must be complied with.
- 2) A scheme of amalgamation has to be prepared by the KSCB and the DCBs are to present the same to their members and creditors.
- 3) A resolution passed by a two third majority of the members present and voting at a General Body meeting of SCB and each DCBs shall be a prerequisite for amalgamation for SCB and all DCBs.
- 4) A MoU shall be executed between the constituents, i.e. all 14 DCBs, KSCB and Government of Kerala covering issues of Governance structure, management, manpower/HR issues, amicable solution of Assets and Liabilities of each Bank to KSCB.

On receipt of ref. (3) the Government of Kerala as per reference (4) above had given sanction to delayer the STCCS from existing 3 tier structure to 2 tier by merging the DCBs with KSCB, subject to the final approval from RBI.

Meanwhile the Government have made certain amendments in the Kerala Co-operative Societies Act, 1969 (21 of 1969) on 8th January 2019 by incorporating a new section 14A, permitting the transfer of assets and liabilities of DCBs to KSCB by a resolution passed by a simple majority of the members present and voting in the general body meetings of DCBs.

Further in compliance to the 3rd condition stipulated by the RBI in the 'in principle' approval letter, a scheme of amalgamation which has been

prepared and proposed by KSCB was forwarded to this office, for concurrence vide reference (5) above. The Registrar of Co-operative Societies has scrutinized the Scheme, obtained the approval of the Government for it and forwarded the same to the DCBs for presenting it before their special general bodies.

On 7th March 2019, the General Bodies of 13 DCBs have passed resolutions vide references (6 to 18) above, giving assent to the transfer of their assets and liabilities to KSCB and also adopted the scheme of amalgamation presented before them. Further, the above 13 DCBs have forwarded their resolutions to KSCB with connected records.

Vide reference (19) above, the KSCB has accepted the resolutions adopted by the DCBs on the transfer of assets and liabilities of DCBs to KSCB.

Memorandums of Understanding detailing the governance structure, management system, human resources, transfer of shares, assets and liabilities, dispute redressal mechanism etc. in the proposed amalgamated entity, were also executed between Government of Kerala, 13 DCBs and KSCB on 26th March 2019 to comply the related condition suggested by RBI.

Thus the pre-conditions which were to be complied with for seeking final approval from RBI has been complied and the formal application seeking final approval for amalgamation of 13 DCBs with KSCB was submitted to RBI through NABARD vide reference (20) above.

Vide reference (21), the RBI has accorded final approval to the proposal of Government of Kerala, to amalgamate 13 DCBs (Thiruvananthapuram, Kollam, Pathanamthitta, Alappuzha, Kottayam, Idukki, Ernakulam, Thrissur, Palakkad, Kozhikode, Wayanad, Kannur, Kasaragod) who had adopted resolution for the transfer of assets and liabilities to KSCB as provided under Section 14A of the Kerala State Co-operative Societies Act, 1969 (21 of 1969) and those who had approved the scheme of amalgamation. However, the said approval was contingent upon the Hon'ble High Court of Kerala upholding the validity of the amendment made to the provisions of Section 14A of the Kerala Co-operative Societies Act.

Writ Petitions relating to the amalgamation and connected matters were filed before the Hon'ble High Court of Kerala. The Hon'ble High Court as per reference (23) above has dismissed all the said cases with the observation that there is no scope for interference with the process initiated to amalgamate the District Co-operative Banks with the Kerala State Co-operative Bank. Accordingly the writ petitions were dismissed.

Therefore now it is found that the pre-conditions of the RBI for delayering of the STCCS from 3 tier to 2 tier have been complied with and the Hon'ble High Court also as per its decision referred above have dismissed the writ petitions challenging the amalgamation.

The Government has also given the approval as per reference (24) to bring into effect the scheme of amalgamation.

In the above circumstances, in exercise of the powers conferred by sub-section (1) of Section 14A read with sub-sections (1) and (2) of Section 74H of the Kerala Co-operative Societies Act, 1969 (21 of 1969), the resolutions passed by the DCBs on 7/3/2019 to transfer its assets and liabilities in whole to KSCB are hereby approved and order the amalgamation of (1) The Thiruvananthapuram District Co-operative Bank Ltd., (2) The Kollam District Co-operative Bank Ltd., (3) The Pathanamthitta District Co-operative Bank Ltd., (4) The Alappuzha District Co-operative Bank Ltd., (5) The Kottayam District Co-operative Bank Ltd., (6) The Idukki District Co-operative Bank Ltd., (7) The Ernakulam District Co-operative Bank Ltd., (8) The Thrissur District Co-operative Bank Ltd., (9) The Palakkad District Co-operative Bank Ltd., (10) The Kozhikode District Co-operative Bank Ltd., (11) The Wayanad District Co-operative Bank Ltd., (12) The Kannur District Co-operative Bank Ltd., and (13) The Kasaragod District Co-operative Bank Ltd. with The Kerala State Co-operative Bank Ltd., by transferring the assets and liabilities to the KSCB on the basis of the resolutions passed by the general bodies of the DCBs under section 14 A of the Act .

On amalgamation, all the assets and liabilities of the said 13 DCBs as they stood immediately before the transfer shall without any further act, instrument, or deed, shall stand transferred to and vested with the KSCB. The shares held by the members of the DCBs (transferor banks) shall be deemed to be the shares of the KSCB (transferee bank) as such.

The scheme of amalgamation for the transfer of assets and liabilities of DCBs to KSCB approved by Government of Kerala vide reference (22) above as appended to this order, will come into force with immediate effect.

The administrators appointed in the above mentioned 13 DCBs shall cease to exist with effect from this date.

The Government will issue appropriate orders for the governance of the amalgamated entity.

Sd/-

Dr. P.K.JAYASREE IAS
Registrar of Co-operative Societies.

To

1. Chief Secretary, Government of Kerala. (with covering letter)
2. Secretary to Government, Co-operation Department (with covering letter)
3. Advocate General, Ernakulam (with covering letter)
4. Regional Director, RBI, Thiruvananthapuram (with covering letter)
5. Chief General Manager, NABARD Regional Office, Thiruvananthapuram (with covering letter).
6. Administrator, KSCB
7. Managing Director KSCB
8. Director of Co-operative Audit
9. All Joint Registrars (Administrators of DCBs)
10. General Managers of all District Co-operative Banks
11. Public Relations Department, Govt. Secretariat
12. Website/Stock file

SCHEME OF AMALGAMATION

Introduction

The Government of Kerala (hereinafter the "Government") has taken a policy decision to convert the present three tier short-term cooperative credit structure within the State into a two tier structure. The decision of the Government to convert the three tier structure into a two tier set up, by amalgamating all the 14 District Cooperative Banks (hereinafter "DCBs") with the Kerala State Co-operative Bank Ltd. No.1 (hereinafter "KSCB") and transforming it into a full service technology driven universal bank, stems from the objective of providing better services to the customers including farmers, small traders, and general public who are members of Primary Agricultural Credit Societies (hereinafter "PACS") and Urban Co-operative Banks (hereinafter UCBs). The amalgamated entity will be a full fledged technology driven universal bank in the cooperative sector. The proposed bank shall infuse professional management and state-of-the art technology/facilities and will be on a unified CBS platform, offering all traditional and modern banking products and services to the people of the State at affordable cost. Being a full service universal bank, the amalgamated entity shall have a client base covering all segments of the society, including those who are not members of PACS and UCBs and those who are unable to avail the services of PACS and UCBs.

As a sequel to this, the Government appointed an Expert Committee headed by Prof. M.S. Sriram to study the various aspects related to the merger and to come out with a blue print for the merger of the 15 entities into one single entity. The Expert Committee submitted its report in the year 2017.

The new Bank, besides providing all banking services to its customers, shall also use the PACS as an effective platform to market/sell all its products and services at a nominal fee. A common IT platform for the PACS and integration of it with the CBS of the new entity is also envisaged under the new dispensation, by adhering to all regulatory requirements.

Besides playing a leadership role in institution building, the amalgamated entity shall play a proactive role in ensuring adequate and timely credit to the small & marginal farmers and other weaker sections of the society through the network of PACS by accessing concessional finance from refinancing agencies like NABARD.

It shall tap the huge potential available in the State for mobilising the NRE deposits by seeking the regulator's approval for the same and utilizing such resources for improving the credit flow to the desired sectors and the overall development of the State.

Pursuant to the aforesaid, the Government submitted a proposal to the Reserve Bank of India (hereinafter referred to as "RBI") for amalgamating 14 DCBs with KSCB. RBI, vide its letter No.DCBB.CO.RCBD.No.1007/19.51.007/2018-19 dated October 03, 2018, granted in-principle approval with 19 conditions to the said proposal. In the aforesaid letter, as per RBI condition No.

(iii), it is mandated that a scheme of amalgamation has to be prepared by KSCB and the DCBs are to present the same to their members and creditors. Hence, in order to accomplish the de-layering process and for amalgamating the 14 DCBs with KSCB, a scheme of amalgamation is drawn up and the details of the same are as follows:

1. Definitions

The terms and expressions used herein shall have the same meaning and significance as provided for and/or contemplated in the Kerala Co-operative Societies Act, 1969 and Rules framed there under by the Government from time to time.

2. The Scheme of Amalgamation – Overview

- (a) This scheme shall be called the “Scheme of Amalgamation” and is intended to effect the amalgamation by transfer of assets and liabilities of DCBs (hereinafter each of such DCB will be referred to in singular as the “Transferor Bank” and in plural the “Transferor Banks”), to KSCB (hereinafter referred to as the “Transferee Bank”) and the same shall be applicable and binding on (i) each Transferor Bank which passes a resolution by a simple majority of the members present and voting at the Special General Body Meeting of the members of such Transferor Bank (on the basis of the existing provisions of the Kerala Co-operative Societies Act, 1969) and thereby adopting accepting and approving this Scheme of Amalgamation prepared by the Transferee Bank to facilitate the de-layering of Short Term Credit structure from the present three tier structure to a two tier structure and the transfer of the entire assets and liabilities of such Transferor Bank, as on date of amalgamation, in whole pertain to such Transferor Bank to the Transferee Bank; and/or (ii) such Transferor Banks, wherein by law, this Scheme of Amalgamation is made applicable and also to effect the transfer of the entire assets and liabilities of such Transferor Bank, as on the date of amalgamation, in whole pertain to such Transferor Bank to the Transferee Bank.
- (b) Subject to the provisions contained in 2 (a) above, the amalgamation shall be effected by transferring the entire assets and liabilities of Transferor Banks to the Transferee Bank through a legal process.
- (c) The particulars of assets and liabilities pertaining to each of the Transferor Banks as per the audited financial statements and audit report for the Financial Year ending as on March 31, 2018 are annexed herewith in Annexure I to Annexure XIV to this Scheme of Amalgamation.
- (d) The audited financial statements and annual report for the Financial Year ending as on March 31, 2018 pertaining to respective Transferor Bank shall be presented before

the members of such Transferor Bank for the purpose of adopting a resolution in the Special General Body Meeting as specified under 2 (a) above.

- (e) Upon receipt of the final approval for the proposed amalgamation from RBI and subsequent decision by the Registrar of Co-operative Societies ("RCS") on fixing and appointing a particular date as the date of amalgamation, the particulars of assets and liabilities pertaining to each of the Transferor Bank shall be drawn again and post conduct of audit, such assets and liabilities then existing shall be transferred to the Transferee Bank.
- (f) Upon the date of completion of the amalgamation process, there shall be a single entity named the Kerala State Co-operative Bank Ltd. No.1 and subject to the provisions contained in 2 (a) above, the Transferor Banks shall cease to exist.

3. Transfer of shares

- (i) Upon the date of completion of the amalgamation process, the A class members of the Transferor Bank i.e., the Primary Agricultural Credit Societies and the Urban Co-operative Banks shall automatically become A class members of the Transferee Bank and the nominal and associate members of the Transferor Bank shall automatically become the nominal and associate members of the Transferee Bank.
- (ii) Upon the date of completion of the amalgamation process, the share capital held by A class members, nominal and associate members in Transferor Bank shall be transferred to the Transferee Bank. The transfer of shares shall be effected on the face value of such shares.
- (iii) The share capital held by members of the Transferor Banks shall be transferred to the Transferee Bank as share capital. After the completion of amalgamation, the members of the Transferor Bank shall be allotted shares in the Transferee Bank proportionately on the basis of the amount held by way of share capital by the members in the Transferor Bank and the value of such shares shall be as prescribed in the Byelaw of the Transferee Bank. The Transferee Bank shall assign a new membership number to each of such eligible members without any fresh/new application from such members and issue new share certificates. The share certificates already issued by the Transferor Banks to its members shall become invalid from the date of completion of amalgamation.
- (iv) After the completion of amalgamation, if fractional values for share exist, the members of the Transferee Banks shall be given opportunity to subscribe to such additional amount to make them eligible for issuance of full share. Alternatively, the members may at their

option withdraw such amount equivalent to the fractional value of share. This can be done within a period of three months from the date of amalgamation. In case if members do not exercise either of the above mentioned two options, such fractional amount shall be transferred to a separate suspense account and such amount shall be maintained by the Transferee Bank as a non- dividend/interest bearing corpus fund and shall further be transferred to the Common Good Fund immediately after the completion of next financial audit. The members shall not have any right to claim such amount once it is transferred to the Common Good Fund.

- (v) New share certificates will be issued to the eligible members by the Transferee Bank within a period of 6 months from the date of amalgamation.
- (vi) Consequent to the issuance of new share certificate by the Transferee Bank to the members in the manner as mentioned above, the shares held by Transferor Bank in the Transferee Bank shall stand cancelled without any further act, deed or instrument and the share certificate representing such shares shall be invalid post completion of the amalgamation.

(vii) The transferee bank shall endeavor to ensure a minimum of 10% dividend/incentive/honourarium/remuneration/allowance on share capital to its share holders for an initial period of 3 years from the date of completion of amalgamation. The Transferee Bank, at its discretion, may seek Government's assistance, if required, in this regard from time to time.

4. Transfer of Assets and Liabilities

- (i) The undertaking of the Transferor Bank which is transferred to, and will vest in, Transferee Bank upon the date of completion of amalgamation process shall be deemed to include all of its businesses, assets, rights, powers, authorities, licenses, permits, approvals, permissions, benefits, incentives, shares, loans, subsidies, concessions, grants, special status and other privileges and all properties namely, movable and immovable, real and personal, corporeal and incorporeal, goodwill, copyright, all rights under the intellectual property etc., in possession or reservation, present or contingent of whatever nature and where so ever situated, including land, commercial or residential premises, fixtures, furniture, equipments, vehicles, cash balances, deposits, disclosed and undisclosed reserves, reserve fund, special reserve fund, benevolent reserve fund, any other fund, stocks, investments, shares, dividends, bonds, debentures, securities, management of any industrial concern, loans, advances, and guarantees given to industrial concerns, other tenancies, leases, and book-debts and all other rights and interest arising out of such property as were immediately before the effective date, in the ownership,

possession or powers of the Transferor Bank , all books of account, registers, records and documents relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the Transferor Bank whether secured or unsecured, along with any charge encumbrance, lien or security thereon or in respect thereof.

- (ii) All contracts, deeds, bonds, guarantees, agreements, assurances, powers-of-attorney and other instruments of whatsoever nature and agreements for working arrangements subsisting in favour of and/or in the name of and/or on behalf of the Transferor Bank immediately before the date of completion of amalgamation process shall be as of full force and effect transferred to and vest against or in favour of the Transferee Bank.
- (iii) Any proceedings, suits, decrees, recovery certificates, appeals and all other legal proceedings pending or existing immediately before the date of amalgamation before any Court or Tribunal or any other authority, by or against the Transferor Bank may, as from the date of amalgamation be continued and enforced by or against Transferee Bank.
- (iv) The rate of interest on deposits, loans and borrowings from the Transferor Bank shall be continued as it is and shall be revised as per the terms and conditions as contained in the deposits or loan agreements executed by such depositors or borrowers.
- (v) The non-banking assets, if any, acquired by the Transferor Banks and/or in possession of and/or under the ownership of the Transferor Bank and/or vest in Transferor Bank in fulfillment of any awards or decrees or otherwise shall be vested with the Transferee Bank and which will be maintained and or disposed off by the Transferee Bank as per the directions/guidelines issued by RBI/RCS/Government from time to time.
- (vi) Transferee Bank shall implement appropriate and up to date technology infrastructure and the existing data/records maintained by the Transferor Bank shall be transferred to the Transferee Bank without affecting the services and facilities currently being offered by the Transferor Bank to its customers. Transferee Bank shall endeavor to support the members for technology up gradation and facilitate provisions for IT enabled services.
- (vii) The Transferee Bank shall complete the migration audit of the Transferor Bank before the amalgamation and ensure that the system integrity is established and certified before the Transferor Bank can migrate into the Transferee Bank's platform.
- (viii) The Transferor Bank shall ensure that it shall not keep their funds as deposits in the Treasury Saving Bank (TSB).

5. Governance Structure And Management

- (i) The headquarters of the new bank shall be at Thiruvananthapuram and it shall have appropriate number of Regional Offices, Zonal Offices as decided by the Transferee Bank and the RCS/Government with the approval of Regulator from time to time. Besides overseeing the functioning of the branches within the region, the Regional Offices shall have a dedicated team to handhold the members under their jurisdiction by assuming the role of a mentor.
- (ii) The existing branches of the Transferor Bank shall be converted into branches of the Transferee Bank and will come under the purview of Section 23 of the Banking Regulation Act, 1949. Thus the Transferee Bank will be required to apply for Branch license from RBI. The Transferor Bank is required to surrender their licenses to RBI upon the completion of amalgamation process and a decision to this effect is taken by the Transferee Bank in consultation with and/or on the basis of the guidance/direction from the Government and/or Regulator.
- (iii) The existing Board of Directors of the Transferor Bank and the Transferee Bank shall cease to exist on the date of amalgamation.
- (iv) The Government shall nominate and constitute an Interim Board of Directors for the Transferee Bank consisting of such number of Directors as the Government may deem fit for a period not exceeding one year from the date of amalgamation or till a newly elected Board of Directors takes charge, whichever is earlier.
- (v) The Interim Board of Directors shall exercise all the powers that the Board of Directors of the Transferee Bank as per the Kerala Co-operative Societies Act, 1969 (as amended from time to time) and the Bye-laws issued thereunder and shall take such necessary steps to complete the amalgamation procedures and conduct election to the Board of Directors.
- (vi) The Board of Directors of the Transferee Bank shall consist of elected representatives from A class members as per the provisions of the Kerala Co-operative Societies Act, 1969, Rules and Byelaws.
- (vii) The Government shall nominate professionals, subject experts and officials to the Board in accordance with the Kerala Co-operative societies Act, 1969 (as amended from time to time) and/or as per the provisions contained in the bye-laws of the Transferee

Bank.

- (viii) In addition to the Board of Directors, the Transferee Bank shall constitute a Board of Management as per the Kerala Co-operative Societies Act, Rules and Byelaws and as per the guidelines of RBI.
- (ix) The Chief Executive Officer (CEO) of the Transferee Bank shall be appointed as per the "fit and proper criteria" prescribed by RBI.
- (x) The revised organogram of the Transferee Bank shall be prepared and implemented by the Government, after amalgamation and cadre integration of employees.

6. Human Resources

- (i) The permanent and regular employees and employees under probation of the DCB shall be retained and will be permitted to continue in employment as employees of KSCB from the date of amalgamation. The permanent and regular employees and employees under probation of the Transferor Bank, who opt not to continue in employment in the Transferee Bank shall have the right to exercise their option within 15 days from the date of completion of amalgamation to not to continue in the service/employment of the Transferee Bank. Employees who opt not to continue in the service/employment of the Transferee Bank shall not have any right for compensation on account of the loss of employment.
- (ii) The employees who have retired before the date of amalgamation from the service of the Transferor Bank or opted not to join in the service of the Transferee Bank on and from the date of amalgamation, are entitled to benefits, rights or privileges, if any, from Transferor Bank, shall receive such benefits, rights or privileges from the Transferee Bank.
- (iii) The Provident Fund/ Gratuity Fund/ Pension Fund or any other funds of the Transferor Bank and any other bodies created, established or constituted as the case may be for the employees shall continue with the Transferee Bank.
- (iv) The Government will make a scheme for cadre integration, seniority, promotion, transfer, service conditions and such other matters related to the employees of the Transferor Bank and the Transferee Bank in the service of the Transferee Bank.

7. Miscellaneous

- (i) Amalgamation of the Transferor Banks with the Transferee Bank is proposed to be completed in a time bound manner. The activities such as transfer of assets and liabilities including HR Integration shall be completed in six months to one year from the Date of Amalgamation. The data migration from the existing Data Centre/Disaster Recovery Centre of the Transferor Banks to Transferee Bank including the completion of Migration Audit shall be completed within twelve months from the Date of Amalgamation as testing and certification by agencies such as NPCI, UIDI, IFTAS, etc., which are involved in it.
 - (ii) Registrar of Cooperative Societies shall have the power to settle disputes if any arising out of or relating to this Scheme of Amalgamation in consultation and concurrence with the Government.
 - (iii) Other aspects, if any, which is not specifically provided for in the Scheme of Amalgamation shall be referred to RCS/Government for appropriate actions/decisions and the decision of RCS/Government shall be final and binding on all the Transferor Banks and the Transferee Bank.
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