



Annex

Information and documents to be furnished along with the application of Scheme of Amalgamation by UCBs

I. Information

1. General information on amalgamated and amalgamating UCB – name, registered office address, date of registration as a cooperative credit society, date of granting licence, scheduling status, area of operation, etc.
2. Operative date - The mutually agreed date on which amalgamation shall be effective.
3. Information in respect of Board of Directors, inclusions under assets, inclusions under liabilities, etc.
4. Capital - Authorised and paid-up capital of both UCBs, names of top five shareholders with the shareholding of each as a percentage of paid-up capital.
5. Reorganization of capital – Manner of treatment of borrowing and non-borrowing members of amalgamated UCB.
6. Deposits - manner of transfer, process to be adopted for repayment if sought by depositors of amalgamated UCB, terms for renewal of deposits held with the amalgamated UCB, etc.
7. Transfers and vesting of Assets, liabilities, income, expenditure, rights, claims, lease, tenancy rights, contracts, deeds, bonds, securities, loans including Bank Guarantee (BGs) and Letters of Credit (LCs), security interest, legal proceedings, authority to execute deeds, etc.
8. Issue of shares by amalgamating UCB.
9. Accounting treatment and valuations adopted.
10. Treatment of Employees of amalgamated UCB – Absorption, remuneration, transfer of Provident Fund / gratuity / pension funds / trusts of amalgamated UCB to amalgamating UCB, etc.
11. Legal Proceedings: Manner in which all the legal proceedings by or against the amalgamated UCB shall be dealt with by the amalgamating UCB upon the Scheme coming to effect.
12. Such other information and explanations as the RBI may require.



II. Documents

A. Approval by the Board and shareholders

1. Certified copy of the minutes of the Board meeting where a resolution in favour of the scheme of amalgamation has been passed in accordance with paragraph 8 of these Directions.
2. Draft scheme of amalgamation approved by the shareholders.
3. Copies of the notices of every shareholder meeting called for such approval, together with newspaper cuttings evidencing compliance with the notice publication requirements set out in paragraph 11 of these Directions.
4. Certificates signed by each of the officers presiding over the meeting of shareholders certifying:
 - (1) A copy of the resolution passed at the meeting.
 - (2) The number of shareholders present at the meeting.
 - (3) The number of shareholders who voted in favour of the resolution, and the aggregate value of the shares held by them.
 - (4) The number of shareholders who voted against the resolution, and the aggregate value of the shares held by them.
 - (5) The number of shareholders whose votes were declared as invalid, and the aggregate value of the shares held by them.
 - (6) The names of shareholders, if any, who have given notice in writing to the Presiding Officer that they dissented from the proposed scheme of amalgamation, together with the number of shares held by each of them.

B. Depositor and Shareholder Information

5. Amount and number of depositors holding deposits up to and above rupees five lakh, with segregated data of member and non-member depositors.
6. Shareholding by number and amount by borrowers and non-borrowers.

C. Governance related information

7. The names, addresses, and occupations of the Directors of the amalgamating UCB, if proposed to be reconstituted after the amalgamation, and indicating how



the composition will be in compliance with regulations of RBI and the concerned Cooperative Societies Act(s).

8. The details of the proposed / continuing Chief Executive Officer of the amalgamating UCB after the amalgamation.

D. Financial information of each UCB separately

9. Annual reports for each of the three completed financial years immediately preceding the Appointed Date for amalgamation.
10. If statutory audit is not yet completed, submit the unaudited financials for the last completed financial year.
11. Brief summary of any significant observation / adverse comments by auditors in Notes on account / auditor's reports and rating.
12. Data on deposits, advances, investments in Government Securities, other investments, cash balance, bank balance (Current + Saving Bank + Fixed Deposit + Others), net Profit / loss, audit rating and accumulated loss (if any).
13. Tabular representation of key financials as at 14 below.

E. Post-amalgamation financial information

14. The following financial information shall be submitted.

- (1) Pro-forma combined balance sheet of the amalgamating UCB as it will appear as on the appointed date of the amalgamation;
- (2) Computation based on such pro-forma balance sheet of the following:
 - (i) Authorised Capital
 - (ii) Tier I, Tier II, and total (Tier I + Tier II) Capital
 - (iii) Risk - Weighted Assets
 - (iv) Ratio of Tier I Capital to Risk-Weighted Assets
 - (v) Ratio of Tier II Capital to Risk Weighted Assets
 - (vi) Ratio of Total Capital to Risk Weighted Assets
 - (vii) Tier I Capital to Total Assets
 - (viii) Deposits
 - (ix) Investments total and of these, in Government Securities
 - (x) Cash and Bank balance (Current + FD+ others)



- (xi) Advances
- (xii) Bad and Doubtful Debt Reserve
- (xiii) Net Advances
- (xiv) Gross and Net NPAs
- (xv) Ratio of Gross and Net NPAs to Gross and Net Advances respectively
- (xvi) Net Profit
- (xvii) Net -Worth
- (xviii) compliance with CRR / SLR

F. Report of valuers

- 15. Copies of the reports of the valuers appointed for the determination of the swap ratio.
- 16. Information certified by the valuers as is considered relevant to understand the proposed swap ratio including the following:
 - (1) the method of valuation of assets used by the valuers;
 - (2) the information and documents on which the valuers have relied, and the extent of the verification made by the valuers to test the accuracy of such information;
 - (3) if the valuers have relied upon projected information, the names and designations of the persons who have provided such information, and the extent of verification, if any, made by the valuers in relation to such information;
 - (4) details of the projected information on which the valuers have relied;
 - (5) detailed computations of the swap ratio containing explanations for adjustments made to the published financial information for the purposes of the valuation;
 - (6) if these adjustments are made based on valuations made by third parties, details regarding the persons who have made such valuations;
 - (7) details of computation of realizable value of assets of the amalgamated UCB.



G. Due Diligence Report (DDR)

17. The Due Diligence Report (DDR) of the amalgamated UCB shall be as per the below format:

- (1) Appointment and purpose of DDR.
- (2) Scope / Mandate of DDR.
- (3) Sources of information used (like Balance Sheet, Auditor's report, MIS, BOD meeting minutes, RBI inspection, etc., and limitations, if any, due to incomplete / not available data / information).
- (4) Profile of UCB and background (Registration as society, licence, area of operation, location, Head Office, branches, Credit Card / Debit Card business, Extension Counters / ATM onsite / offsite).
- (5) Nature of business being undertaken including Foreign Exchange, Authorized Dealer Category I / II, Bharat Bill Payment System (BBPS), Centralised Payment System (CPS), Depository Participant (DP), etc., reasons for downfall and supervisory action, etc).
- (6) Share capital and share holding pattern.
- (7) Management structure and organisational chart of holding Membership.
- (8) Accounting policies / practices and software in use.
- (9) Agreements and contracts (Annual Maintenance Contract, etc.), and insurance in place.
- (10) Audit and inspection conducted and compliance thereof along with penalty imposed if any.
- (11) Legal cases - by and against the UCB.
- (12) Statutory liability assessment and compliance (Income Tax (IT), Provident Fund (PF), Tax Deducted at Source (TDS), etc.); penalty imposed, if any.
- (13) Liabilities - deposits, related to staff, others and contingent liabilities details.
- (14) Assets - cash, bank balance, investment-verification and valuation, advances along with its actual IRAC status as per RBI guidelines / inspection, fixed assets-valuation method, other assets.



- (15) Contra items (bills for collection, etc).
- (16) Off-balance sheet items and contingent liabilities, if any.
- (17) Review of net assets and net liability including realisable value.
- (18) Independent study of assets and pointers on erosion in assets, under provisioning (e.g., on gratuity, leave encashment, income tax, depreciation, stamp duty, etc), understatement of liability (e.g., non-recognition of interest liability on matured term deposits, etc) and factoring these into net worth calculation.
- (19) Non-banking assets, if any.
- (20) Net worth statement.
- (21) Attachments on any property of the UCB as per orders of court or any other body.
- (22) Details of property owned and leased, with market value.
- (23) Confirmation that auditors conducting the due diligence of the Amalgamated UCB on behalf of the Amalgamating UCB have discussed their findings with the Amalgamating UCB.
- (24) Loans etc., to directors.
- (25) Any signs of possible frauds or financial malfeasance.
- (26) A tabular representation of data drawn from DDR on key financials covering financial parameters as stated at [requirement 14](#) on 'Post-amalgamation financial information' above.

H. Other information

- 18. Such other information and documents as the RBI may require.