

MINISTRY OF FINANCE
(Department of Financial Services)
(BANKING DIVISION)
NOTIFICATION

New Delhi, the 25th January, 2022

G.S.R. 45(E).—Whereas, Punjab and Maharashtra Co-operative Bank Limited is a Multi-State Scheduled Urban Co-operative Bank registered under the Multi-State Co-operative Societies Act, 2002 (39 of 2002) and carrying on the business of banking in India;

And whereas, after detection of certain instances of fraud by Housing Development and Infrastructure Limited and its group companies in the Punjab and Maharashtra Co-operative Bank Limited in September 2019 and the consequent inspections, the precarious financial condition, including complete erosion of capital and substantial deposit erosion of that bank was revealed;

And whereas, the Reserve Bank issued 'All Inclusive Directions' to the Punjab and Maharashtra Co-operative Bank Limited under Section 35A read with Section 56 of the Banking Regulation Act, 1949 (10 of 1949) with effect from close of business of September 23, 2019 to protect the interest of the depositors and to ensure that the bank's available resources are not misused or diverted;

And whereas, this being a case of failure of management at the level of the Board of the Punjab and Maharashtra Co-operative Bank Limited, Reserve Bank, in exercise of the powers conferred under sub-sections (1) and (2) of section 36AAA read with section 56 of the Banking Regulation Act, 1949 (10 of 1949), superseded the Board of Directors of the bank on September 23, 2019 and appointed an Administrator in its place;

And whereas, section 45 of the Banking Regulation Act, 1949 (10 of 1949) empowers the Reserve Bank to prepare a scheme of reconstruction or amalgamation of banking companies (which include co-operative banks), if so considered necessary in public interest or in the interest of the depositors or to secure the management of the banking company;

And whereas, the Reserve Bank has come to a conclusion that the present position of Punjab and Maharashtra Co-operative Bank Limited calls for the preparation of a scheme of amalgamation;

And whereas, Centrum Financial Services Limited, as promoters along with Resilient Innovation Private Limited as 'joint investor', had expressed interest in the month of February 2021 in acquiring the Punjab and Maharashtra Co-operative Bank Limited through a suitable scheme of amalgamation with a new Small Finance Bank to be registered by the promoter;

And whereas, in pursuance of above objective, Unity Small Finance Bank Limited promoted by Centrum Financial Services Limited along with Resilient Innovation Private Limited as 'joint investor', (hereinafter referred as 'joint investor') was granted banking licence by Reserve Bank under sub-section (1) of section 22 of Banking Regulation Act, 1949 on October 12, 2021.

And whereas, Unity Small Finance Bank Limited has started transacting business of banking under section 5(c) of Banking Regulation Act, 1949 from November 1, 2021;

And whereas, the promoters of Unity Small Finance Bank Limited along with the joint investor have infused a capital of ₹1105.10 crore in Unity Small Finance Bank as on November 1, 2021.;

Further, equity warrants of ₹1900 crore, to be exercised anytime within a total period of eight years by the holders thereof, have been issued by Unity Small Finance Bank Limited on November 1, 2021 to the promoters to bring further capital;

And whereas, the Reserve Bank, after having sent the said Scheme in draft to the banks concerned in accordance with the provisions of sub-section (6) of the section 45 of Banking Regulation Act, 1949 (10 of 1949) and after having considered the suggestions and objections received in regard to the said Scheme, had forwarded it to the Central Government for sanction.

NOW, therefore, in exercise of the powers conferred by sub-section (7) of section 45 of the Banking Regulation Act, 1949 (10 of 1949), the Central Government hereby sanctions the following Scheme, subject to the terms and conditions hereafter mentioned, namely: —

1. **Short title and commencement.** — (1) This Scheme may be called the Punjab and Maharashtra Co-operative Bank Limited (Amalgamation with Unity Small Finance Bank Limited) Scheme, 2022.
 (2) It shall come into force on 25th day of January, 2022.
2. **Definitions.** — (1) In this Scheme, unless the context otherwise requires,—
 - (a) "**the Act**" means the Banking Regulation Act, 1949 (10 of 1949);
 - (b) "**appointed date**" means the 25th day of January, 2022 ;

- (c) **“asset account”** means a notional account opened under sub-paragraph (3) of paragraph 5 of the Scheme for the purpose of ascertaining the surplus or shortfall after adjustment from time to time of liabilities of the transferor bank, as provided in the Scheme;
- (d) **“eligible depositors”** means depositors whose deposits are insured under the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961);
- (e) **“institutional depositors”** means corporations, companies, partnership firms, societies, Association of Persons, Trusts, and all other depositors who are not retail depositors;
- (f) **“retail depositors”** means depositors who hold deposits in the bank in their individual capacity, either singly or jointly with other individual, and include proprietorship firms and Hindu Undivided Families (HUFs);
- (g) **“Reserve Bank”** means the Reserve Bank of India, constituted under the Reserve Bank of India Act, 1934 (2 of 1934) ;
- (h) **“the Scheme”** means the Punjab and Maharashtra Co-operative Bank Limited (Amalgamation with Unity Small Finance Bank Limited) Scheme, 2022 ;
- (i) **“transferor bank”** means the Punjab and Maharashtra Co-operative Bank Limited’, a Multi-State Scheduled Cooperative Bank having its Registered Office at Mumbai, Maharashtra;
- (j) **“transferee bank”** means Unity Small Finance Bank Limited (a company incorporated in India under Companies Act 2013 (18 of 2013) and having its Registered Office at New Delhi).

(2) The words and expressions used here in and not defined but defined in the Act shall have the meaning respectively assigned to them in the Act.

3. **Transfer of assets and liabilities and general effect thereof :—** (1) On and from the appointed date, the undertaking of the transferor bank will stand transferred to, and vest in the transferee bank, which shall be deemed to include all business, assets (including tangible and intangible), estates, rights, titles, interest, powers, claims, licenses, authorities, permits, approvals, permissions, incentives, loans, subsidies, concessions, grants, liberties, special status and other privileges and all property, movable and immovable, real and personal, tangible and intangible, goodwill, copyright, cash balances, capital, reserve funds, investments, transactions in derivatives and all other rights and interests in, or arising out of, such property and all rights under the intellectual property etc., in possession or reservation, present or contingent of whatever nature and wheresoever situated (whether within or outside India), including lands, commercial or residential premises, fixtures, vehicles, cash balances, deposits, foreign currencies, disclosed and undisclosed reserves, reserve fund, special reserve fund, any other fund, stocks, investments, shares, dividends, bonds, debentures, security, management of any industrial concern, loans, advances and guarantees to any industrial concern, other tenancies, leases and book-debts and all other rights and interests arising out of such property of the transferor bank in relation to the undertakings as were immediately before the commencement of the Scheme, in the ownership, possession, power or control of the transferor bank within or outside India, and all books of accounts, registers, records and all other documents of whatever nature relating thereto and shall also be deemed to include all borrowings, liabilities, duties and obligations of whatever kind within or outside India then subsisting on the books and records of transferor bank whether secured or unsecured, along with any charge, encumbrance, lien or security thereon in relation to the undertakings.

(2) Unless otherwise expressly provided in the Scheme, all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the appointed date shall be effective to the extent and in the manner hereinafter provided against or in favour of the transferee bank and maybe acted upon as if instead of the transferor bank, the transferee bank had been a party thereto or as if they had been issued in favour of the transferee bank thereto and it shall not be necessary to obtain the consent of any third party or other person who is a party to any of the aforesaid instruments or arrangements to give effect to the provisions of this sub-paragraph.

(3) If on the appointed date any cause of action, suit, decrees, recovery certificates, appeals or other proceedings of whatever nature is pending by or against the transferor bank before any court or tribunal or arbitrator or any other authority the same shall not abate, be discontinued or be in any way prejudicially affected, but shall, subject to the other provisions of the Scheme, be prosecuted and enforced by or against the transferee bank, including any proceedings under Section 84 of the Multi-State Co-operative Societies Act, 2002, as if such proceedings were initiated by or against a person eligible to maintain the proceedings under such Act :

Provided that where a contravention of any of the provisions of any statute or of any rule, regulation, direction or order made thereunder has been committed by, or any proceeding for a criminal offence has been instituted against a director or secretary, manager, officer or other employee of the transferor bank before the appointed date, such director, secretary, manager, officer or other employee shall be liable to be proceeded against under such law and punished accordingly as if the transferor bank had not been amalgamated.

- (4) Any security interest created in favour of or for the benefit of the transferor bank, whether such security interest be over immovable, movable, tangible or intangible property, and whether by way of mortgage, hypothecation, pledge, lien or any other form or mode of creation of security interest, and all guarantees, letters of comfort, letters of credit or similar instruments in favour of or for the benefit of the transferor bank, shall without any further act, deed, instrument or thing, be transferred to and vested in the transferee bank or be deemed to have been transferred to and vested in the transferee bank, and shall continue to be in full force and effect and may be enforced as fully and effectually as if instead of the transferor bank, the transferee bank had been the beneficiary or a party thereto, and the benefit shall be available to the transferee bank as if same were ab initio created in favour of the transferee bank and it shall not be necessary to obtain the consent of any person concerned therewith in any capacity whatsoever or of the person who created such security in order to give effect to the provisions of this sub-paragraph.
- (5) In so far as various incentives, subsidies, exemptions, including goods and services tax benefits, income tax holiday or benefit or losses and other benefits or exemptions or privileges enjoyed or availed of by the transferor bank, the same shall without any further act or deed, vest with and be available to the transferee bank on the same terms and conditions as if the same had been allotted or granted or sanctioned or allowed to the transferee bank.
- (6) If, according to the laws of any country outside India, the provisions of this Scheme, by themselves, are not effective to transfer or vest any asset or liability situated in that country which forms part of the undertaking of the transferor bank to or in the transferee bank, the affairs of the transferor bank in relation to such asset or liability shall, on the appointed date, stand entrusted to the Managing Director and Chief Executive Officer for the time being of the transferee bank and the Managing Director and Chief Executive Officer may exercise all powers and do all such acts and things as would have been exercised or done by the transferor bank for the purpose of effectively transferring such assets and discharging such liabilities and shall take all such steps as may be required by the laws of any such country outside India for the purpose of effecting such transfer or vesting and in connection therewith, may, either himself or through any person authorised by him in this behalf, realise any assets or discharge any liability of the transferor bank and transfer the net proceeds thereof to the transferee bank.
4. **Closure of books of the transferor bank and preparation of balance sheet** :— (1) The books of the transferor bank shall be closed and balanced and balance sheet prepared in the first instance as at the close of business on November 22, 2021 and thereafter as at the close of business on the date immediately preceding the appointed date, and the balance sheet shall be got audited and certified by a chartered accountant or a firm of chartered accountants approved by the Reserve Bank for the purpose.
- (2) A copy of the balance sheet of the transferor bank prepared in accordance with the provisions of sub-paragraph (1), shall be filed by the transferee bank with the Central Registrar of Cooperative Societies as soon as possible after it has been received and thereafter, the transferor bank shall not be required to prepare balance sheet or profit and loss accounts or to lay the same before its members or file copies thereof with the Central Registrar of Cooperative Societies or to hold any board meeting or annual general meeting for the purpose of considering the balance sheet and accounts or for any other purpose or to comply with the provisions of the Multi-state Cooperative Societies Act, 2002.
5. **Valuation of assets and determination of liabilities**: — (1) The transferee bank shall value the assets and reckon the liabilities of the transferor bank in accordance with the following provisions, namely: -
- (a) investments other than Government Securities shall be valued at the market rates prevailing on the day immediately preceding the appointed date;
- (b) (i) the Government Securities shall be valued as on the day immediately preceding the appointed date in accordance with the extant Reserve Bank guidelines;
- (ii) the Securities of the Central Government such as Post Office Certificates, Treasury Savings Deposit Certificates and any other securities or certificates issued under the small savings schemes of the Central Government shall be valued at their face value or the encashable value as on the said date, whichever is higher;
- (iii) where the market value of any Government Security held by the transferor bank in respect of which the principal is payable in instalments, is not ascertainable or is for any reason not considered as reflecting the fair value thereof or as otherwise appropriate, the security shall be valued at such amount as is considered reasonable having regard to the instalments of principal and interest remaining to be paid, the period during which such instalments are payable, the yield of any security issued by the Government to which the security pertains and having the same or approximately the same maturity and other relevant factors;
- (c) where the market value of any security, share, debenture, bond or other investment is not considered reasonable by reason of its having been affected by abnormal factors, the investment may be valued on the basis of its average market value over any reasonable period;
- (d) where the market value of any security, share, debenture, bond or other investments is not ascertainable, only such value, if any, shall be taken into account as is considered reasonable, having regard to the financial position of

the issuing concern, the dividends paid by it during the preceding five years and other relevant factors;

(e) premises and all other immovable properties and any assets acquired in satisfaction of claims shall be valued at their market value;

(f) the furniture and fixtures, stationery in stock and other assets, if any, shall be valued at the written down value as per books or the realisable value as may be considered reasonable;

(g) advances, including bills purchased and discounted, book debts, sundry assets, and all other remaining tangible/intangible assets will be scrutinised by the transferee bank and the securities, including guarantees held as cover therefor examined and verified by the transferee bank and thereafter, the advances including portions thereof, will be classified into two categories namely, "Advances considered good and readily realisable" and "Advances considered not readily realisable and/or bad or doubtful of recovery".

(2) (a) Where the valuation of any asset cannot be determined on the appointed date, it may, with the approval of the Reserve Bank, be treated partly or wholly as an asset realisable at a later date;

(b) In the event of any disagreement as regards the valuation of any asset and/or the classification of any advance and/or the determination of any liability, the matter shall be referred to the Reserve Bank, for its opinion, provided that until such an opinion is received, the valuation of the item or portion thereof by the transferee bank shall provisionally be adopted for the purpose of the Scheme;

(c) It shall be competent for the Reserve Bank, in the event of its becoming necessary to do so, to obtain such technical advice, as it may consider to be appropriate, in connection with the valuation of any such item of asset or determination of any such item of liability and the cost of obtaining such advice shall be payable in full out of the assets of the transferor bank.

(3) The transferee bank shall open on the appointed date an account styled as "asset account", into which shall be credited the aggregate amount representing the value of the assets determined as readily realisable assets in accordance with this paragraph.

(4) Liabilities for purposes of the Scheme shall include all liabilities, including contingent liabilities, which the transferee bank may be required to meet on or after the appointed date and in determining the value of the liabilities (including the liability towards Deposit Insurance and Credit Guarantee Corporation for payments to the insured depositors) for initial recognition in the books of the transferee bank, the measurement basis maybe decided by the Reserve Bank and could include historical cost, current cost, settlement value, present value or any other measurement basis.

(5) The valuation of the assets and the determination of the liabilities in accordance with the foregoing provisions shall be binding on all stakeholders of the transferor and transferee banks.

6. Discharge of liability of transferor bank :— (1) In respect of :

(a) any sums deposited by any employee of the transferor bank with that bank as staff security deposits, together with interest, if any, accrued thereon upto the appointed date, shall be paid, in case the employee has chosen not to continue in the services of the transferee bank or provided for in full by the transferor bank;

(b) every savings bank account or current account or any other deposit account including a fixed deposit, cash certificate, monthly deposit, deposit payable at call or short notice or any other deposits by whatever name called with the transferor bank, the transferee bank shall open with itself on the appointed date a corresponding and similar account in the name of the respective holder thereof crediting thereto full amount including interest accrued till March 31, 2021:

Provided that where the transferee bank entertains a reasonable doubt about the correctness of the entries made in any particular account, it may, with the approval of the Reserve Bank, withhold the credit to be made in that account for a period not exceeding three months from the appointed date, within which, the transferee bank shall ascertain the correct balance in such account.

(c) The transferee bank shall pay -

(i) the amount received from Deposit Insurance and Credit Guarantee Corporation to all the eligible depositors of the transferor bank, which would be an amount equal to the balance in their deposit accounts or ₹5,00,000 (Rupees five lakh only), whichever is less, in accordance with the Deposit Insurance and Credit Guarantee Corporation rules of distribution of such amounts ;

(ii) at the end of first year from the appointed date, over and above the payment already made, an additional amount equal to the balance in their deposit account or ₹50,000 (Rupees fifty thousand only), whichever is less, on demand only to the retail depositors of the transferor bank;

(iii) at the end of two years from the appointed date, over and above the payment already made, an additional amount equal to the balance in their deposit account or ₹50,000 (Rupees fifty thousand only), whichever is less, on demand only to the retail depositors of the transferor bank;

(iv) at the end of three years from the appointed date, over and above the payments already made, an additional

amount equal to the balance in their deposit account or ₹1,00,000 (Rupees one lakh only), whichever is less, on demand only to the retail depositors of the transferor bank;

- (v) at the end of four years from the appointed date, over and above the payment already made, an additional amount up to the balance in their deposit account or ₹2,50,000 (Rupees two lakh fifty thousand only), whichever is less, on demand only to the retail depositors of the transferor bank;
- (vi) at the end of five years from the appointed date, over and above the payment already made, an additional amount up to the balance in their deposit account or ₹5,50,000 (Rupees five lakh fifty thousand only), whichever is less, on demand only to the retail depositors of the transferor bank.
- (vii) the entire remaining amount of deposits (after making payment as mentioned in clause (i), (ii), (iii), (iv), (v) and (vi) above in the accounts of the retail depositors of transferor bank after ten years from the appointed date, on demand.
- (d) No interest on any of the interest bearing deposits with the transferor bank shall accrue after March 31, 2021 for a period of five years from the appointed date, and afterwards, simple interest at the rate of 2.75 per cent. per annum shall be paid at the end of each year for the amounts remaining outstanding which shall be payable from the date after five years from the appointed date.
- (e) In respect of balances in any current account or any other non-interest bearing account, no interest shall be payable to the account holders, except that after a period of five years, simple interest at the rate of 2.75 per cent. per annum shall be paid to the balances of the retail depositors in the same manner as applicable to interest bearing deposits.
- (f) On and from the appointed date, 80 per cent. of the uninsured deposits outstanding (aggregate in various accounts) to the credit of each institutional depositor of the transferor bank shall be converted into Perpetual Non-Cumulative Preference Shares of transferee bank with dividend of one per cent. per annum payable annually.
- (g) At the end of the 10th year from the appointed date, transferee bank will use 'Net Cash Recoveries' (net of expenses related to such recoveries) from assets pertaining to Housing Development and Infrastructure Limited Group in excess of the principal amount of advances to Housing Development and Infrastructure Limited Group outstanding as on March 31, 2021 to buyback Perpetual Non-Cumulative Preference Shares at face value on a pro rata basis.
- (h) From the end of 21st year, transferee bank will buy-back the outstanding principal of the Perpetual Non-Cumulative Preference Shares, at the rate of at least 1 per cent. of the total Perpetual Non-Cumulative Preference Shares issued under the scheme per annum, provided the following conditions are satisfied, namely:—
- (i) all restructured liabilities pertaining to the transferor bank including those towards Deposit Insurance and Credit Guarantee Corporation under the Scheme are fully discharged;
- (ii) capital adequacy ratio of the transferee bank is at least three hundred basis points higher than the regulatory minimum capital-to-risk weighted assets ratio applicable at that point of time;
- (iii) net non-performing assets of transferee bank are at least two hundred basis points lower than the prescribed threshold for Prompt Corrective Action by Reserve Bank at that point of time;
- (iv) minimum 'Net Cash Recovery' of the principal amount of advances to Housing Development and Infrastructure Limited Group as on March 31, 2021 from assets pertaining to Housing Development and Infrastructure Limited Group is more than 70 per cent. of the principal amount of advances;
- (v) the buyback of the Perpetual Non-Cumulative Preference Shares shall be capped at 10 per cent. of the yearly net profit of the transferee bank for the previous year.
- (i) The remaining 20 per cent. amount of the institutional deposits shall be converted into equity warrants of transferee bank at a price of ₹ 1 per warrant and these equity warrants will further be converted into equity shares of the transferee bank at the time of the Initial Public Offer when the transferee bank goes for public issue. The price for such conversion will be determined at the lower band of the Initial Public Offer price.

(2) In respect of every other liability of the transferor bank including the claims not acknowledged as debt, the transferee bank shall pay only the principal amounts within a period of five years from the appointed date to the creditors in terms of the agreements entered or the terms and conditions agreed upon between them prior to the appointed date.

(3) The credit balance in the "asset account" shall be applied notionally to the extent required to meet the liabilities under this paragraph and if the balance in the asset account is not sufficient, so much of the shortfall shall be treated as amount spent by the transferee bank.

7. **Deposit Insurance and Credit Guarantee Corporation to support process of amalgamation.** — (1) Deposit Insurance and Credit Guarantee Corporation shall pay to the transferee bank the amount due to the eligible depositors (as on appointed date) of the transferor bank, in accordance with the provisions of the Deposit and Credit Guarantee Corporation Act, 1961 (Act 47 of 1961), and the Regulations made thereunder.

(2) The transferee bank shall have time up to 20 years from the appointed date, to repay the amount received from DICGC towards payment to the insured depositors, which can be done in one installment or in several instalments and the transferee bank shall create a reserve account in its books and make periodical transfers to it as may be approved by Reserve Bank, for the purpose of discharging its liability towards Deposit Insurance and Credit Guarantee Corporation in accordance with the provisions of this Scheme.

8. **Rights and liabilities of members and creditors of transferor bank:** — (1) On and from the appointed date, the entire amount of the paid-up share capital and reserves and surplus of the transferor bank shall stand written off.

(2) On and from the appointed date, entire amount outstanding in the Long Term Deposits (Tier II Capital instrument) of the transferor bank will be converted into Perpetual Non-Cumulative Preference Shares and shall be accorded the terms and conditions as specified in clause (f) of sub-paragraph (1) of paragraph 6 of this Scheme.

(3) On and from the appointed date, the transferor bank shall cease to exist by operation of this Scheme.

9. **Rights and obligations of employees of transferor bank.** — (1) All the employees of the transferor bank shall continue in service on the same remuneration and terms and conditions of service for a period of three years from the appointed date, as were applicable to such employees immediately before the close of business on the appointed date:

Provided that the employees of the transferor bank, who, have by notice in writing, intimated to the transferor bank or the transferee bank at any time before the expiry of one month next following the appointed date their intention of not becoming employees of the transferee bank, shall be entitled to the payment of such compensation, if any, under the provisions of the Industrial Disputes Act, 1947 (14 of 1947) and such pension, gratuity, provident fund and other retirement benefits as may be ordinarily admissible under the rules or authorisations of the transferor bank as in force immediately before the close of business on appointed date :

Provided further that the transferee bank may, discontinue the services of the Key Managerial Personnel of the transferor bank after following the due procedure at any time, after the appointed date, as it deems necessary and providing them compensation as per the terms of their employment.

Explanation: For the purposes of this paragraph, the term “Key Managerial Personnel” shall have the meaning assigned to it under the Companies Act, 2013 (18 of 2013) and if any dispute arises as to whether a particular post differently designated falls within that category or not, the matter shall be referred to the Reserve Bank, whose decision shall be final and binding on all the parties concerned.

- (2) The transferee bank shall, not later than the expiry of the period of three years from the appointed date, pay or grant, to the said employees the same remuneration and the same terms and conditions of service as are, at the time of such payment or grant, applicable to the other employees of corresponding rank or status of the transferee bank, subject to the qualifications and experience of the said employees being the same as or equivalent to those of such other employees of the transferee bank.
- (3) The transferee bank shall, in respect of the employees of the transferor bank who are deemed to have been appointed as employees of the transferee bank, be deemed also to have taken over the liabilities for them of retrenchment compensation in the event of their being retrenched while in the service of the transferee bank, on the basis that their service has been continuous and has not been interrupted by their transfer to the transferee bank.
- (4) For the purposes of assessing the equivalence of qualification and experience and suggesting fitment of employees of the transferor bank in an appropriate cadre in the transferee bank, the transferee bank shall, as soon as possible, constitute an expert committee and may take into account its recommendations while framing necessary policy :

Provided that if any doubt or difference arises as to whether the qualifications or experience of any of the said employees are the same as or equivalent to the qualifications and experience of the other employees of corresponding rank or status of the transferee bank or as to the procedure or principles to be adopted for the fixation of pay of the said employees in the scales of pay of the transferee bank, the doubt or difference shall be referred to the Reserve Bank whose decision thereon shall be final.

- (5) The trustees or administrators of any provident fund and gratuity fund constituted for the employees of the transferor bank, or as the case may be, the transferor bank, shall on or as soon as possible after the appointed date transfer to the trustees of the employees' provident fund and gratuity fund constituted for the transferee bank or otherwise as the transferee bank may direct, all the moneys and investments held in trust for the benefit of the employees of the transferor bank :

Provided that such latter trustees shall not be liable for any deficiency in the value of investments, or in respect of any act, neglect or default done before the date of commencement of this Scheme.

10. **Demand by Depositors or Creditors:** — No depositor or creditor of the transferor bank shall be entitled to make any demand against the transferor bank or the transferee bank in respect of any liability of the transferor bank to him except to the extent specified by this Scheme.
11. **Reorganisation of branches of transferor bank:** — The transferee bank shall have the option of merging branches of transferor bank according to its convenience and may close down or shift the existing branches of the transferor bank, as per the extant instructions issued by the Reserve Bank.
12. **Furnishing statements and information:** —The transferee bank shall submit to the Reserve Bank such statements and information as may be required by the Reserve Bank from time to time regarding the implementation of this Scheme.
13. **Manner of service of notice :**— Any notice or other communication required to be given by the transferee bank shall be considered to be duly given if addressed and sent by speed post or by courier or by pre-paid ordinary post or by e-mail or otherwise to the addressee at the address registered in the books of the transferor bank, until a new address is registered in the books of the transferee bank. Additionally, any notice or communication, which is of general interest shall be advertised, in one or more daily newspapers, which may be in circulation at the places where the registered office of transferor bank is situated.
14. **Interpretation of the provisions of the Scheme.**—If any doubt arises in the interpretation of the provisions of this Scheme, the matter shall be referred to the Reserve Bank and its views on the issue shall be final and binding on all concerned.

[F. No. 28/3/2021-BOA.I]

SAMEER SHUKLA, Jt. Secy.