

### Merger of Financial Creditor Entities in IU

#### A. Background & Objectives

This note is for providing guidance to the financial creditors (FC) for data submission to IU after another FC merges into it.

The procedure varies for the two scenarios:

- *Scenario-1*: the loan number remains unchanged post-merger
- *Scenario-2*: Loan number changes post-merger

#### B. Process to be Followed by the Merged FC

- The merged FC to provide a written (email or letter) authorisation to NeSL for linking all the open loans of pre-merger entity and confirm the following:
  - i. Pre-merger entity and post-merger entity names along with PAN numbers
  - ii. Effective date of merger
  - iii. Whether loan numbers from pre-merger entity will remain unchanged
  - iv. Copy of supporting notification from the regulator confirming merger
- Where loan number undergoes change post-merger (scenario-2), the **merged FC** will also ensure the following **during the first-time submission of old loans** of pre-merger entity
  - v. The 'Old Debt Reference Number' field (#32 in Form C 2.3) must be filled with the old loan number of pre-merger entity. This is not required if loan number is unchanged
  - vi. New loan number will be specified in usual way in 'Debt Reference Number' (field #31)
- The merged FC **must notify NeSL before undertaking first time** submission of loans from the pre-merger entity
- Based on authorisation provided, NeSL will deactivate login/registration of the pre-merger entity (along with all users under it) and undertake a one-time process for linking old loan number from the pre-merger entity with the corresponding loan number. This will result into old loan submissions and the new loan (with or without change in number) being treated as one and the same for
  1. NeSL billing purpose
  2. On screen viewing in IU portal by the merged FC or debtor or other parties
  3. Record of Default (RoD) i.e. in Part B submission history information
- Merged FC should check under its login if the old loans are correctly visible in history and provide a confirmation to NeSL.
- Please note that till linking process is undertaken, the loan from pre-merger entity will be treated as a separate loan to all stakeholders and also will be billed separately. Where the loan number undergoes change post-merger, linking cannot be done subsequently if the first data submission is made without providing old debt reference number.

For any more information, you may contact your respective relationship manager from NeSL or contact the NeSL Tech Support team for any technical issues faced on 1800 266 2346 or Email id: [techsupport@nesl.co.in](mailto:techsupport@nesl.co.in)

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Team NeSL