

**Documents to be furnished to RBI / NABARD along with the application of  
Scheme of Amalgamation**

**A. Documents to comply with eligibility conditions, regulatory criteria, and general considerations:**

1. Formal approval of the State Government.
2. Feasibility Study.
3. Copy of MoU executed by the constituents as set out in paragraph 9(1)(iii)(a) of these Directions.
4. Draft Scheme of Amalgamation along with duly certified resolution passed by the shareholders.

**B. Approval by Shareholders**

5. Copies of the notices of every meeting of the shareholders called for such approval, together with newspaper cuttings evidencing compliance with the notice publication requirements set out in paragraph 8 of these Directions.
6. Certificates signed by each of the officers presiding at the meeting of shareholders certifying the following:
  - (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 scheme of amalgamation together with the number of shares held by each of them.

**C. Governance-related information**

7. Proposed governance reforms enabling professional governance / management in the amalgamated bank.

**D. Financial information and disclosures**

8. Audited Financial position of all the banks proposed to be amalgamated for preceding two financial years.
9. Financial structure of the amalgamated entity post-merger.
10. Areas of operational synergies and cost management.
11. Pension liabilities pre-amalgamation. The methodology of valuation / re-valuation of the pension liabilities shall be disclosed with details of the increase / reduction in liabilities as a result of change in pension scheme, if any. This disclosure shall capture details of changes, if any, in pension schemes that will be made applicable to the employees of amalgamating banks / amalgamated bank.
12. Status of vigilance cases and complaints pending in the amalgamating banks as on the date of application / proposal.
13. Status of pending fraud cases, outstanding inter-bank adjustments and inter-branch accounts and other intermediary accounts pre-merger.

**E. Report of valuers**

14. Report of the valuers appointed for determination of the swap ratio.

**F. Due Diligence Report (DDR)**

15. Due-diligence Report (DDR) from Chartered Accountants, which may generally include:
  - (1) Scope / Mandate of DDR;
  - (2) Sources of information used and limitations, if any, due to incomplete / not available data / information;
  - (3) Nature of business being undertaken including Foreign Exchange Business such as Authorised Dealer (Category I or II), Bharat Bill Payment system (BBPS), Electronic Banking Channels etc;
  - (4) Share capital and share holding pattern;
  - (5) Management structure and organisational chart of holding Membership;

- (6) Accounting policies / practices and software in use;
- (7) Agreements, contracts and insurance in place;
- (8) Legal cases – by and against the bank;
- (9) Statutory liability assessment and compliance (IT, PF, TDS, etc); penalty imposed, if any;
- (10) Liability particulars (deposits, to staff, others) and contingent liabilities details;
- (11) Asset particulars along with its actual IRAC status as per RBI guidelines /fixed assets-valuation method, other assets;
- (12) Contra items;
- (13) Off-balance sheet items and contingent liabilities, if any;
- (14) Review of net assets and net liabilities including realisable value;
- (15) 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;
- (16) Non-banking assets, if any;
- (17) Net worth statement;
- (18) Details of property owned and leased with market value;
- (19) Loans etc., to Directors;
- (20) Any signs of possible frauds or financial malfeasance.

#### **G. Other information and documents**

- 16. Additional information relevant for the consideration of the scheme of amalgamation.
- 17. Such other information and documents as the RBI may require.