

FORM OF APPLICATION FOR CERTIFICATE OF REGISTRATION TO COMMENCE THE BUSINESS OF AN ASSET RECONSTRUCTION COMPANY

(Vide Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002)

By Registered Post AD/Hand Delivery

Name of the company (in block letters)

Address of Registered Office

To

The Chief General Manager-in-Charge
Department of Regulation
Reserve Bank of India, Central Office
2nd Floor, Main Office Building
Shahid Bhagat Singh Marg, Fort
Mumbai – 400 001

Dear Sir,

Application for Certificate of Registration to commence the business of an Asset Reconstruction Company

We make this application in terms of sub-Section (2) of Section 3 of 'The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002' (SARFAESI Act, 2002) for issue of a Certificate of Registration. The required documents/information as per the instructions are furnished.

2. We are desirous of commencing the business of an Asset Reconstruction Company(ARC). Hence, we hereby request you to kindly issue the necessary Certificate of Registration (CoR) under sub-Section (1) of Section 3 of the SARFAESI Act, 2002 to enable our company to commence the business of an ARC.

3. We solemnly declare that to the best of our knowledge and belief, the information furnished in this application and the annex hereto and statements enclosed are correct, complete and true. We are aware that if any of the information furnished herein is found to be incorrect/incomplete/ untrue, the application for grant of CoR is liable to be rejected and the CoR, if granted, is liable to be cancelled.

Yours faithfully,

(Signature of Authorised Official)

Name :

Designation :

Company Seal :

Date :

Place :

Encl. Sheets

Note : The company is advised to refer to the instructions and checklist for ARC before filling up the Application Form.

INSTRUCTIONS

(Application form should be filled up strictly in accordance with these instructions)

GENERAL

1. Application should be made in the prescribed form only.
2. Application should be properly page numbered.
3. Application along with annex duly completed should be submitted to the Department of Regulation, Reserve Bank of India, Central Office, 2nd Floor, Main Office Building, Shahid Bhagat Singh Marg, Fort, Mumbai 400 001.
4. Application should be signed by any of the following officials authorized by the Board of Directors in this behalf (viz. Chairman/ Managing Director/ Director/ Chief Executive Officer/ Company Secretary, hereinafter known as the Authorized Official).
5. Application should bear the company seal.
6. An acknowledgement for having submitted the application may be obtained from the Reserve Bank of India.
7. Statutory Auditor certified Net Owned Fund statement as on date of the latest audited balance sheet may be submitted.

An indicative list of basic documents / information to be furnished along with the application

Sr No.	Requirements to be complied with and documents to be submitted to RBI	Page No.
1.	Identification particulars of the company (Annex I)	
2.	Statement of Net Owned Fund (Annex II)	
3.	Auditor's Certificate regarding Net Owned Fund	
4.	Information about the Director(s) (Annex III)	
5.	Information about the Sponsor(s) (Annex IV)	
6.	Information about related parties (Annex V)	
7.	Certified copy of up-to-date Memorandum and Articles of Association (evidencing therein that the company has been formed for the purpose of undertaking securitization and asset reconstruction business).	
8.	A certified copy of Certificate of Incorporation	
9.	A certified copy of Board Resolution duly signed by Authorized signatory i) specifically approving the submission of the application to Reserve Bank of India and names of authorized officials, ii) stating that the company has not accepted any deposit (as defined in Section 45-I(bb) of the Reserve Bank of India Act, 1934) /deposit accepted will be repaid in terms of the contract and the company has not defaulted in repayment of deposits /interest thereon so far, iii) stating whether or not the directors of the company have adequate professional experience in matters related to finance, securitization and reconstruction iv) stating that none of the directors is disqualified to be appointed as director as per the provisions of the Companies Act, 2013 and convicted of any offence involving moral turpitude v) stating that the company, if carrying on any other business other than the business of securitization / asset reconstruction as defined in the Act on or before the date of application, will cease to carry on any such business, if the company is granted registration by RBI (carrying out the business of securitisation, which does not fall under the definition of securitisation as defined in Section 2(l) (z) of the SARFAESI Act, 2002 will fall under 'other activity').	
10.	A certified copy of Board Resolution and Auditors Certificate (in original) to the effect that	

	i) the company has not incurred losses in any of the three preceding financial years; (for existing companies only) ii) the company has not engaged (for existing companies only) / will not engage in any business other than securitisation and asset reconstruction (for newly incorporated company/existing companies); iii) all the sponsors of the company are fit and proper persons in accordance with Reserve Bank of India Directions in this regard.	
11.	The Board of Directors should by means of a report, state that the company has made adequate arrangements for realisation of the financial assets acquired / to be acquired for the purpose of securitisation / asset reconstruction and that it shall be able to service its obligations on respective due dates to the qualified institutional buyers or other persons.	
12.	Copy of P&L Account and Audited Balance Sheet of last 3 years (for existing applicant company and sponsor companies)	
13.	Sponsors' IT Returns for last 3 years and Net Worth Certificate certified by Statutory Auditors/ Chartered Accountant	
14.	Credit Bureau Score for Sponsors and company	
15.	Proposed Business plan for the next five years along with detailed write-up specifying its a. thrust of business; b. market segment; c. statement of Financial Assets and Liabilities; and Proposed Business plan should be realistic/ achievable.	
16.	Banker's Report of the Sponsors, Directors and Company (in sealed cover directly from the concerned bank branches to the Bank)	

Note: Bank may, if necessary, call for any further documents as deemed necessary, to determine the eligibility of the applicant company for Certificate of Registration.

Identification Particulars of the Company

Sl.No.	Particulars	
PART A		
1.	Name of the Company (including previous names, if any, alongwith date of such changes)	
2.	Date of Incorporation	
3.	CIN PAN TAN	
4.	Address of the Company Registered Office Address Phone No. Email Corporate Office Address Phone No. Email	
5.	Nature of business of the Company	
6.	Whether the MoA permits the company to carry on securitisation and asset reconstruction business	
7.	Details of bank(s), branch and account no.	
8.	Whether the Company was transacting any business? If yes, since when? Nature of business being conducted	Yes/ No
9.	Name of Statutory Auditor, if appointed Address Phone No. Email	
10.	List of Chairman/ Managing Director/Directors/CEO Name and Date of Joining the Board	
11.	List of Shareholders with shareholding of 5% or above (Annex II Part I)	
12.	Information about Related Parties (Annex V) [Please refer to Section 2(76) of the Companies Act, 2013]	
13.	Whether any group company is Non-Banking Financial Institute (NBFI)?	
14.	If yes, whether registered/ rejected/ cancelled/ applied to the Bank for registration for grant of a CoR	
15.	If registered, Registration No. and date of issue of CoR	
16.	Details of Rejection/ Cancellation Order/ date of application for registration as an NBFC	
17.	Name of Authorized Official(s)	

Part I**List of Shareholders of the Company**

Sr. No.	Name of sponsor/ Non-sponsor*	No. of shares held	Face Value of Shares	Amount	% to total paid up equity share capital
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
	Total				

* Sponsor as defined in Section 2(1)(zh) of the SARFAESI Act, 2002

(Signature of the Authorized Official)

Name :

Designation :

Company Seal :

Date :

Place :

Part II**Statement of Net Owned Fund as on.....**

Item	Amount
(i) Authorized Equity Capital	
(ii) Paid-up Equity Capital	
(iii) Paid up preference capital to the extent compulsorily convertible into equity (period of convertibility may be mentioned)	
(iv) Free Reserves (other than Revaluation Reserves)	
(a) General Reserves	
(b) Share Premium	
(c) Capital Reserves (representing retained surplus on sale of assets held in separate account)	
(d) Debenture Redemption Reserve	
(e) Capital Redemption Reserve	
(f) Credit Balance in P&L Account	
(g) Other Free Reserves (to be specified)	
(v) Total of (ii) to (iv)	
(vi) Debit Balance in P&L Account	
(vii) Miscellaneous Expenditure (to the extent not written off or adjusted)	
(viii) Deferred Revenue Expenditure	
(ix) Book Value of Intangible Assets	
(x) Under /Short Provisioning in Diminution in Value of Investments [other than those covered under Item (xii)]	
(xi) Under / Short Provisioning against NPAs [other than those covered under Item (xii)]	
(xii) Over recognition of income	
(xiii) All other deductions required on account of items qualified by the auditors in their report on the financial statements	
(xiv) Total of (vi) to (xiii)	
(xv) Owned Fund (v – xiv)	
(xvi) Investment of the ARC in shares of : (please see note (4) below)	
(a) its Subsidiaries	
(b) Companies in the same group	
(c) All other ARCs	
(xvii) Book value of debentures, bonds, outstanding loans and advances made to, and deposits with (please see note (5) below)	
(a) Subsidiaries of the ARC	
(b) Companies in the same group	
(xviii) Total of (xvi) to (xvii)	
(xix) Amount of (xviii) in excess of 10 per cent of (xv) above	
(xx) Net Owned Fund (xv- xix)	

Certified that the data/information furnished in this statement are in accordance with the guidelines issued by the Reserve Bank of India. They have been compiled from the books of account and other records of the company and to the best of my knowledge and belief they are correct.

(Signature of the Authorized Official)

Name :

Designation :

Company Seal :

Date :

Place :

AUDITOR'S CERTIFICATE

We have examined the books of account and other records maintained by..... (Name of the company) in respect of its net owned fund as on(date) and report that to the best of our knowledge and according to the information and explanations given to us and as seen from the records examined by us, the figures shown in the statement of net owned fund are correct.

Date :
Place :

Chartered Accountants/Statutory Auditors*

*Certificate to be signed by Statutory Auditors, if appointed.

Notes :

1. The particulars/information to be furnished in Annex - II of the application should be based on figures as disclosed in the latest audited balance-sheet. However, in the case of newly incorporated company, such particulars / information should be based on the balance-sheet as on a date falling within not more than thirty days preceding the date of application.
2. 'Free Reserve' includes reserves shown in the balance-sheet and created through an allocation out of profits but not being (a) a reserve created for repayment of any future liability or for depreciation on assets or for bad debts, or (b) a reserve created by revaluation of assets of the company.
3. Under/ Short provisioning in diminution in value of investments, against NPAs and over-recognition of income must be as identified by statutory auditors/internal auditors/RBI inspecting officer.
4. Investments in shares includes investment in fully convertible instruments and/or convertible portion of partially convertible instruments. Investments held either in investment account or stock-in-trade should be included under this item.
5. Debentures whether held in investment account or by way of stock-in-trade should be included under this item. Non-convertible debentures, non-convertible portion of partially convertible debentures and optionally convertible debentures should also be included under this item.

**INFORMATION ABOUT THE CHAIRMAN,
MANAGING DIRECTOR, DIRECTORS AND THE
CHIEF EXECUTIVE OFFICER OF THE COMPANY**

Sl. No.	Particulars	
1.	Name [Please see note (1) below]	
2.	Designation	Chairman/ Managing Director/ Director[Sponsor/Non-sponsor]/ Chief Executive Officer [Please see note (2) below]
3.	Nationality Passport Details	
4.	Date of Birth Age as on Date of Application	DD/MM/YYYY
5.	Present Address	
6.	Permanent Address	
7.	E-mail address	
8.	Telephone / Mobile Number	
9.	Permanent Account Number (PAN)	
10.	Director Identification Number (DIN)	
11.	Educational/Professional Qualifications	
12.	Line of Business or Vocation/ Profession	
13.	Credit Bureau Score Adverse Remakes, if any, to be indicated	
14.	Name(s) of the Financial Institution including NBFCs/ARCs in which he/she is or has been a member of the Board. Please also give details such as name of the company and its activity, period of association with the company, designation held and areas handled, regulator of such financial entity, etc.	
15.	If the Director is associated with any other entity, please furnish the name and regulator of such organizations /entities in which he is holding/ has held the post of Chairman or Managing Director or Director or Chief Executive Officer	
16.	Equity shareholding in the applicant company (i) No. of shares (ii) Face Value of Shares (iii) Percentage of total paid-up share capital of the company	Yes/ No
17.	Whether he is nominee of or associated with any of sponsor/s	Yes/ No
18.	Details of bank accounts – bank, branch and account no.	
19.	List of Relatives, if any, who are connected with the ARC [Please refer to Section 2(77) of the Companies Act, 2013]	

20.	List of entities, if any, in which he/she is considered as interested [Please refer to Section 2(49) and Section 184 of the Companies Act, 2013] and its regulator	
21.	List of entities in which he/she is considered as holding substantial interest* and its regulator	
22.	Whether Director or entities listed in 20 and 21 are in default or have been in default in the past in respect of credit facilities obtained from Financial Institutions including NBFCs/ARCs	Yes/ No
23.	If yes, furnish full details, such as name and branch of lending institution, type of facility, period and quantum of default, etc.	
24.	Whether the director is a member of professional association/body. Details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time	Yes/ No
25.	Details of serious civil or criminal prosecution including under Section 138(1) of the Negotiable Instruments Act, if any, initiated, pending or commenced or has resulted in conviction in the past against the director and/or against any of the entities listed in 20 and 21 above for violation of economic laws and regulations	
26.	Whether the director attracts any of the disqualification envisaged under the Section 164 of the Companies Act, 2013? If yes, please give details	
27.	Has the Director or entities listed in 20 and 21, at any time been found guilty of violation of rules / legislative requirements by customs / excise/ income tax/ foreign exchange/ other revenue authorities/ investigative agencies/ economic laws/ any regulation, including issuance of Show Cause Notice, if so give particulars	
28.	Whether the director has been declared as a willful defaulter at any time in the preceding five years If yes, whether he is continuing as a willful director	Yes/ No
29.	Any other information considered relevant for judging the director, fit and proper	

*Substantial interest means the beneficial interest held by an individual or his/her spouse or minor child, whether singly or taken together, in the shares of a company/ capital of a firm, the aggregate amount paid-up on which exceeds ten percent of the paid up share capital of the company or total capital subscribed by all the partners of a partnership firm.

I solemnly declare that to the best of my knowledge and belief the information furnished in the statement above is correct, complete and truly stated.

Signature of the person furnishing information

Name :

Designation :

Date :

Place :

I solemnly declare that to the best of my knowledge and belief the information furnished in the statement above is correct, complete and truly stated.

Signature of Authorised Official of the Company

Name :

Designation :

Company Seal :

Date :

Place :

Notes :

1. Please ensure that names (spelling, etc.) and addresses (at item No.7 & 8) tally with DIN allotment letter. Please explain reasons for variations, if any, and support the claim of genuineness with a magistrate's certificate.
2. The information about the Chairman, Managing Director, Directors and the Chief Executive Officer of the company must be certified by respective individual director and counter signed by the Authorised Official of the applicant company.
3. Separate form should be submitted for each of directors/CEO.

Information about the Sponsors of the Company

Sl.No.	Particulars	Remarks
Part A		
1.	Name of the Sponsor (including previous names, if any)	
2.	Present & Permanent address of the Sponsor	
3.	Registered & Corporate Office address of the Sponsor	
4.	Occupation/ Nature of business of the Sponsor	
5.	Citizenship and Resident status if the Sponsor is an individual/ ownership and control status if the Sponsor is an entity (as per FEMA)	
6.	Date of Birth / Incorporation	
7.	CIN/ Registration No./ PAN/ TAN	
8.	Details of bank, branch and account no.	
9.	Profitability, Average Income for the last three years and Net Worth (Duly certified by the Statutory Auditors)	
10.	Sources of fund for acquisition of shares/ compulsory convertible debentures/ bonds (Duly certified by the Statutory Auditors)	
11.	Income Tax Returns and Audited financial statements of the sponsor for the last three years	
12.	Details of directorship/ shareholding/ voting rights/ compulsorily convertible debentures/ bonds, etc. of the sponsor in banks and other institutions in the financial sector	
13.	Details of acquisition by the sponsor (shareholding in Rs. and %) in ARC	
14.	Whether any other person has beneficial interest in the proposed acquisition, if applicable	
15.	Detailed profile on the background and experience of the sponsor, expertise and track record of business	
16.	Whether the sponsor is a financial sector entity/ Government/ public sector undertaking	
Part B		
17.	A) List of 'Relatives' of the sponsor B) List of 'Persons acting in concert' with the sponsor C) List of Associate Enterprises of the sponsor D) List of Entities in which hold 10% or more of the paid-up share capital of the sponsor E) List of HUFs where the Sponsor or his family member is a member/ karta F) List of entities in which the HUF at (E) above is holding 10% or more of the paid-up share capital of that entity G) List of entities in which the Sponsor is holding 10% or more of the paid-up share capital of that entity H) Entities, if any, in which the Sponsor is considered as being interested (Refer Section 184 of Companies Act, 2013) I) Entities where there are common shareholders of the sponsor who collectively hold 20% or more of the paid-up share capital of the Sponsor and also those entities J) Associate (Refer AS 23) of the Sponsor K) Related Party (Refer AS 18) of the Sponsor	

	<p><i>Explanation: For the purpose of this part,</i></p> <p>(i) “Relatives” means ‘relatives’ as defined in Section 2(77) of the Companies Act 2013.</p> <p>(ii) Persons shall be deemed to be “acting in concert” who, for a common objective or purpose of acquisition of shares in excess of 10%, pursuant to an agreement or understanding (formal or informal) directly or indirectly cooperate by acquiring or agreeing to acquire shares in the ARC;</p> <p>(iii) ‘Associate enterprises of the sponsor’, means a company whether incorporated or not, which</p> <ul style="list-style-type: none"> (a) is a holding company or a subsidiary company of the sponsor; or (b) is a joint venture (defined in terms of AS 23) of the sponsor; or (c) controls the composition of the Board of Directors or other body governing the sponsor; or (d) is able to obtain economic benefits from the activities of the applicant. 	
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Part C

18.	Has the sponsor or any of the persons/ entities listed in Part B been adjudged bankrupt/insolvent at any time	
19.*	If the sponsor or any of the persons/ entities listed in Part B is a member of a professional association/ body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/ her or whether he/ she has been banned from entry at any profession/ occupation at any time	
20.*	Details of serious disciplinary civil or criminal prosecution, if any, initiated, pending or commenced or has resulted in conviction in the past against the sponsor or persons/ entities listed in Part B	
21.*	Has the sponsor or persons/ entities listed in Part B at any time been found guilty of violation of rules / legislative requirements by customs / excise/ income tax/ foreign exchange/ other revenue authorities/ investigative agencies/ economic laws/ any regulation, including issuance of Show Cause Notice, if so give particulars	
22.	Whether the sponsor or persons/ entities listed in Part B have been convicted for any offence due to dishonesty, incompetence or malpractice under any legislation designed to protect members of the public from financial loss	
23.	Whether the sponsor has been declared as a wilful defaulter at any time in the preceding five years? If yes, whether he/she continues as a wilful defaulter?	

Part D

24.	If the sponsor is a regulated entity, names and addresses of the regulators of the applicant in India and abroad	
25.	Shareholding pattern of the sponsor	
26.	Detailed corporate structure of the Group in case the sponsor belongs to a Group (preferably in a chart form)	

*Though it shall not be necessary for a person to mention in the column about orders and findings made by regulators which have been later on reversed / set aside in toto, it would be necessary to make a mention of the same, in case the reversal / setting aside is on technical reasons like limitation or lack of jurisdiction, etc., and not on merit. If the order of the regulator is temporarily stayed and the appellate / court proceedings are pending, the same also should be mentioned.

Undertaking

I confirm that the above information is to the best of my knowledge and belief, true and complete. I undertake to keep the ARC fully informed, as soon as possible, of all events which take place subsequent to submission of this declaration, which are relevant to the information provided above.

Signature of the sponsor

Name:

Company Seal:

Date:

Place

I solemnly declare that to the best of my knowledge and belief the information furnished in the statement above is correct, complete and truly stated.

Signature of Authorised Official of the Company

Name :

Designation :

Company Seal :

Date :

Place :

Part E

Additional information to be submitted by the ARC

Sl.No.	Particulars	Remarks
27.	Any other explanation / information in regard to items above considered relevant for judging "fit and proper" status of the sponsor	
28.	Brief details of shareholder agreements	

Signature of Authorised Official of the Company

Name:

Designation:

Company Seal:

Date:

Place:

Instructions:

1. The information about the Sponsor of the company must be certified by respective individual Sponsor and countersigned by the Authorised Official of the applicant company.
2. Separate form should be submitted for each of the Sponsor.

INFORMATION ABOUT RELATED PARTIES
 [Please refer to Section 2(76) of the Companies Act, 2013]

Sl. No.	Name Address & of Related Party	Line of Business	Regulator	Status	Relationship with Applicant Company		
				Individual/ Limited Company	Firm/ Private Limited Company	Public	

Details of Exposure with Related Party

Sl. No.	Name of Related Party	Item	Amount
		Investment in capital shares, bonds/ debentures	
		Outstanding loans and advances	
		Deposits	
		Total	

I solemnly declare that to the best of my knowledge and belief the information furnished in the statement above is correct, complete and truly stated.

Signature of Authorised Official of the Company

Name:

Designation:

Company Seal:

Date:

Place: