

Annex I: Disclosures related to SRs
(cf. Paragraph 17.7 of these Directions)

I. Disclosures in the offer document

(i) Disclosure relating to the issuer of SRs

- a) Name, place of registered office, date of incorporation, date of commencement of business of the ARC
- b) Particulars of sponsors, shareholders, and a brief profile of the Directors on the Board of the ARC with their qualifications and experience
- c) Summary of financial information of the ARC for last five years or since commencement of business, whichever is shorter
- d) Details of securitisation/ asset reconstruction activities handled, if any, in last eight years or since commencement of business, whichever is shorter. This shall, *inter alia*, include track record of returns generated for all SR investors on the schemes floated in last eight years.
- e) Track record of recovery rating migration and engagement with CRAs of schemes floated in last eight years
- f) Whether the scheme envisages the utilization of part of funds raised for restructuring of financial assets acquired out of such funds? If so, the percentage of funds raised which shall be utilized for restructuring purposes.

(ii) Terms of offer

- a) Objects of offer
- b) Description of the instrument giving particulars relating to its form, denomination, issue price, together with an averment that the transferability of SRs is restricted to the QBs
- c) Arrangements made for management of assets and extent of management fee charged by the ARC
- d) Interest rate/ probable yield
- e) Terms of payment of principal/ interest, date of maturity/ redemption
- f) Servicing and administration arrangement
- g) Details of credit rating and rationale for the rating

- h) Description of assets being securitized including date of acquisition, valuation, and the interest of the ARC in the assets at the time of issue of SRs
- i) Geographical distribution of asset pool
- j) Residual maturity, interest rates, outstanding principal of the asset pool
- k) Nature and value of underlying security, expected cash flows, their quantum and timing, credit enhancement measures
- l) Policy for acquisition of assets and valuation methodology adopted
- m) Terms of acquisition of assets from banks/ FIs
- n) Details of performance record with the originators
- o) Terms of replacement of assets, if any, to the asset pool
- p) Statement of risk factors, particularly relating to future cash flows and steps taken to mitigate the same
- q) Arrangements, if any, for implementing asset reconstruction measures in case of default
- r) Duties of the trustee
- s) Specific asset reconstruction measures, if any, on which approvals shall be sought from investors
- t) Grievance redressal mechanism

II. Disclosures on quarterly basis

- a) Defaults, prepayments, losses, if any, during the quarter
- b) Change in credit rating, if any
- c) Commonality and conflict of interest, if any, between the ARC and CRA
- d) Change in profile of the assets by way of accretion to or realisation of assets from the existing pool
- e) Collection summary for the current and previous quarter
- f) Any other material information which has a bearing on the earning prospects affecting the QBs.