

**ARCs to submit Registration Application
to RBI by March 20**

March 7, 2003

The Reserve Bank of India has notified the format of the application form which is to be submitted by the securitisation companies or reconstruction companies. These companies are required to apply to the Reserve Bank for registration under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The application form can be accessed on the Reserve Bank's web site www.rbi.org.in.

The Reserve Bank has also clarified that those securitisation companies or reconstruction companies desirous of seeking registration from the Reserve Bank can download the format of the application form from the Reserve Bank's web site. The duly filled in application form with all the relevant annexures/ supporting documents, may be submitted to the Chief General Manager-in-Charge, Department of Non-Banking Supervision, Central Office, Reserve Bank of India, Centre 1, World Trade Centre, Cuffe Parade, Colaba, Mumbai 400 005 so as to reach him latest by March 20, 2003. The last date is applicable to companies existing as on June 21, 2002.

The Reserve Bank has advised that every securitisation company or reconstruction company applying for the Reserve Bank's registration would have a minimum owned fund of Rs 2 crore. Owned Fund for the purpose of registration would mean the aggregate of paid up equity capital, paid up preference capital to the extent it is compulsorily convertible into equity capital and free reserves other than revaluation reserves, credit balance in the profit and loss account as reduced by accumulated balance of loss, unamortised deferred revenue expenditure, book value of intangible assets and under/short provision against non-performing assets/diminution in value of investments, and over-recognition of income, if any, and further reduced by the book value of the shares acquired in a securitisation company or reconstruction company, and exposures to related parties as defined in the accounting standards and guidance notes issued by the Institute of Chartered Accountants of India and further reduced by the items qualified by the auditors in their report on the financial statements of the securitisation companies or reconstruction companies. The Reserve Bank has also clarified that it will shortly notify the final guidelines and directions.

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Manager**

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