**DECLARATION**

**Re: Source of funds**

**Property Item No.**

I/we hereby declare that the funds remitted by us for the bid in the e-auction held on **dd/mm/yyyy** in the matter of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are from genuine personal/business sources.

I/we hereby further declare that the said funds do not originate from any unlawful source and are in no way connected to terrorist financing, money laundering or any other criminal activity or activity of suspicious nature.

I hereby agree to indemnify **Pegasus Assets Reconstruction Pvt. Ltd.** with respect to any loss or damage (including third party claims or litigation costs) that **Pegasus Assets Reconstruction Pvt. Ltd. or its Directors/officers** may suffer or incur by reason of this declaration or any part thereof being false, incorrect or misleading.

Yours truly,

**Affidavit cum Declaration**

***Property for which bid submitted (“Property”):***

***Mortgagor of the Property (“Mortgagor”):***

***Name of the borrower / co-borrower / guarantor / mortgagor (“Borrowers”):***

I/We, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , R/o \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, have submitted bid for the Property being sold by way of public e-auction by Pegasus Assets Reconstruction Private Limited acting in its capacity as trustee of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Pegasus”).

I/We, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ R/o \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ do hereby solemnly swear and affirm:

1. I/We understand that the following persons are ineligible to participate in the auction of the Property (Ref. Section 29A of IBC):
2. if such person, or any other person acting jointly or in concert with such person –
3. is an undischarged insolvent;
4. is a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949);
5. at the time of submission of the bid for the Property, has an account,or an account of any of the Mortgagor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) or the guidelines of a financial sector regulator issued under any other law for the time being in force, and at least a period of one year has lapsed from the date of such classification till the date of submission of bid:

Provided that the person shall be eligible to submit the bid if such person makes payment of all overdue amounts with interest thereon and charges relating to non- performing asset accounts before submission of the bid:

Provided further that nothing in this clause shall apply to a bidder where such bidder is a financial entity and is not a related party to the Mortgagor.

*Explanation* I*.-* For the purposes of this proviso, the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the Mortgagor and is a related party of the Mortgagor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares or completion of such transactions as may be prescribed, prior to the submission of bid.

*Explanation* II*.—* For the purposes of this clause, where a bidder has an account, or an account of any Mortgagor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset and such account was acquired pursuant to a prior resolution plan approved under Insolvency & Bankruptcy Code, then, the provisions of this clause shall not apply to such resolution applicant for a period of three years from the date of approval of such resolution plan by the Adjudicating Authority under IBC;

1. has been convicted for any offence punishable with imprisonment –
2. for two years or more under any Act specified under the Twelfth Schedule of IBC; or
3. for seven years or more under any law for the time being in force:

Provided that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment:

Provided further that this clause shall not apply in relation to a connected person referred to in clause(iii) of *Explanation* I.

1. is disqualified to act as a director under the Companies Act, 2013 (18 of 2013):

Provided that this clause shall not apply in relation to a connected person referred to in clause *(iii)* of *Explanation I;*

1. is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;
2. has been a promoter or in the management or control of any Mortgagor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under IBC:

Provided that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of Mortgagor by the bidder as a resolution applicant pursuant to a resolution plan approved under IBC or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such bidder has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;

1. has executed a guaranteein favour of a creditor in respect of a Mortgagor against which an application for insolvency resolution made by such creditor has been admitted under IBC and such guarantee has been invoked by the creditor and remains unpaid in full or part;
2. is] subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or
3. has a connected person not eligible under clauses (a) to (i).

*Explanation***5[**I**].** — For the purposes of this clause, the expression "connected person" means—

1. *any person who is the promoter or in the management or control of the* Mortgagor; or
2. any person who shall be the promoter or in management or control of the business of the Mortgagor during the implementation of the resolution plan / submission of bid; or
3. the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii):

Provided that nothing in clause (iii) of *Explanation* I shall apply to a bidder where such bidder is a financial entity and is not a related party of any of the Mortgagor:

Provided further that the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the Mortgagor and is a related party of the Mortgagor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares or completion of such transactions as may be prescribed, prior to the submission of bid;

*Explanation* II— For the purposes of this section, "financial entity" shall mean the following entities which meet such criteria or conditions as the Central Government may, in consultation with the financial sector regulator, notify in this behalf, namely:

* 1. a schedule d bank;
	2. any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding;
	3. any investment vehicle, registered foreign in situational investor, registered foreign portfolio investor or a foreign venture capital investor, where the terms shall have the meaning assigned to the min regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 199 9 (42 of 199 9);
	4. an asset reconstruction company register with the Reserve Bank of India under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Inte rest Act, 2 002 (54 of 20 02);
	5. an Alternate Investment Fund registered with Securities and Exchange Board o f India ;
	6. such categories of persons as may be notified by the Central Government.
1. I/We \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are not disqualified from submitting bid for the above mentioned property being sold by way of public e-auction by Pegasus Assets Reconstruction Private Limited acting in its capacity as trustee of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. That no insolvency under the IBC is contemplated or pending against me/us before any of the NCLT/NCLAT or any other court.

Deponent

Verification

The above deponent solemnly affirms contents of para no. 1-3 of this affidavit to be true and correct.

Deponent