



**Reserve Bank of India
Department of Supervision
Ahmedabad Regional Office**

In exercise of the powers conferred under
Section 45-IA (6) of the Reserve Bank of India Act, 1934,
the Reserve Bank of India passes the following order in the matter of

M/s Sun Finlease (Gujarat) Limited

M/s Sun Finlease (Gujarat) Limited ("the company"), bearing CIN-L65910GJ1988PLC010293, having its registered office at 3, Ravipushp Apartment, B/s. Navneet House, Memnagar, Ahmedabad – 380052, Gujarat, was incorporated on January 21, 1988 under the provisions of Companies Act, 1956. The company had submitted an application on June 28, 1997 to the Reserve Bank of India ("the Bank") for obtaining a Certificate of Registration (CoR) under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 ("the RBI Act"). Accordingly, the Bank granted a CoR to the company bearing No. 01.00120 dated March 19, 1998, to carry on the business of a Non-Deposit taking Non-Banking Financial Company, subject to compliance with the provisions of the RBI Act, guidelines/directions issued by the Bank from time to time and the terms/conditions subject to which the CoR was issued.

2. In terms of sub-Section (6) of Section 45-IA of the RBI Act, the Bank may cancel a CoR granted to an NBFC, if it-

- i. ceases to carry on the business of a Non-Banking Financial Institution (NBFI) in India; or
- ii. has failed to comply with any condition subject to which the CoR had been issued to it; or
- iii. at any time fails to fulfil any of the conditions referred to in clauses (a) to (g) of sub-section (4) of Section 45-IA of the RBI Act; or
- iv. fails –
 - a) to comply with any direction issued by the Bank under the provisions of Chapter III-B of the RBI Act; or
 - b) to maintain accounts in accordance with the requirements of any law or any direction or order issued by the Bank under the provisions of Chapter III-B of the RBI Act; or

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- c) to submit or offer for inspection its books of account and other relevant documents when so demanded by an inspecting authority of the Bank;
or
- v. has been prohibited from accepting deposits by an order made by the Bank under the provisions of Chapter III-B of the RBI Act and such order has been in force for a period of not less than three months.
3. The company vide letter dated July 18, 2023 voluntarily requested the Bank for the cancellation of the CoR issued to it. Subsequently, the company submitted the following documents in support of its request:
- i. Audited financial statements for the year ended as on March 31, 2023 and quarter ended as on June 30, 2023.
 - ii. Board Resolution dated August 14, 2023 indicating that:
 - a) the Board has approved the surrender of CoR. The company will surrender the original CoR to the Bank, as and when the same is sought.
 - b) the company has stopped NBF activity as on June 30, 2023 and will not carry out the same in future. The Financial Assets/ Total Assets and Financial Income/Gross Income is at 0.36 % and 41.18 % respectively.
 - c) the company has not accepted any public deposits in the past and will not accept any public deposit in future without obtaining prior written approval from Reserve Bank of India, or any other competent authority in force.
 - iii. Statutory Auditor Certificate (SAC) dated August 12, 2023 indicating that:
 - a) the company has stopped NBF activity as on June 30, 2023. The Financial Assets/ Total Assets and Financial Income/Gross Income is at 0.36 % and 41.18 % respectively.
 - b) the company has not accepted any public deposits during the period from April 01, 2022 to June 30, 2023 and does not hold any public deposits as on March 31, 2023 and June 30, 2023
 - iv. Post exit from NBF activities, the company proposes to undertake the business of trading of Precious Metals, Agricultural commodities and other like items on a delivery basis mechanism.

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v. Undertakings from the company that:


- a) it will apply to ROC, MCA for suitably changing its Name and Industrial Activity Code, which will not represent carrying out financial business, within 30 days' post cancellation of CoR.
- b) it will amend its Memorandum of Association (MoA) deleting clauses related to financial business from its Main objects, within 30 days post cancellation of CoR.
- c) it will submit the audited financials for next 2 fiscal years to the Bank, within 30 days post finalization of annual accounts, but not later than 31st December.

4. On scrutiny of the financial statements of the company for quarter ended as on June 30, 2023, it is observed that, the company is not fulfilling the Principal Business Criteria (PBC) stipulated by the Bank required to continue holding CoR as an NBFC since its financial assets were less than 50 per cent of the total assets and financial income was less than 50 per cent of the total income

5. Considering all the relevant facts, developments and affairs of the company, and the documents submitted by it, the Bank has observed that the company has ceased to carry out NBF activity requiring registration from the Bank. The company has voluntarily requested the Bank for cancellation of the CoR issued to it and has now surrendered the original CoR for cancellation vide its letter dated September 13, 2023, on its own volition. Accordingly, the CoR bearing No. 01.00120 dated March 19, 1998 issued to M/s Sun Finlease (Gujarat) Limited is hereby cancelled in terms of Section 45-IA (6) (i) of the RBI Act.

6. A copy of this Order may be communicated to the company.

Place: Ahmedabad
Date: 20.09.2023


20.09.2023
(Rajesh Kumar)
Regional Director