

Press Releases

May 2010

Certificate of Registration of Saibala Credits Private Limited – Cancelled**May 5, 2010**

The Reserve Bank of India has on February 25, 2010 cancelled the certificate of registration granted to Saibala Credits Private Limited having its registered office at No.37, Nallathambi Road, Pammal, Chennai 600075 for carrying on the business of a non-banking financial institution as the company has opted to exit from the business. Following cancellation of the registration certificate the company cannot transact the business of a non-banking financial institution.

Under powers conferred by Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

Certificate of Registration of Jaisal Securities Limited – Cancelled**May 5, 2010**

The Reserve Bank of India has on February 25, 2010 cancelled the certificate of registration granted to Jaisal Securities Limited having its registered office at No.15 (Old No.6), Besant Avenue, Adyar, Chennai 600020 for carrying on the business of a non-banking financial institution as the company has opted to exit from the business. Following cancellation of the

registration certificate the company cannot transact the business of a non-banking financial institution.

Under powers conferred by Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

Certificate of Registration of M/s. Lucky Valley Investments & Holdings Limited – Cancelled

May 5, 2010

The Reserve Bank of India has on January 10, 2010 cancelled the certificate of registration granted to M/s. Lucky Valley Investments & Holdings Limited having its registered office at 'Sua House' 26/1, Kasturba Cross Road, Bangalore 560001 for carrying on the business of a non-banking financial institution as the company has opted to exit from the business. Following cancellation of the registration certificate the company cannot transact the business of a non-banking financial institution.

Under powers conferred by Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

Certificate of Registration - Cancelled

May 5, 2010

The Reserve Bank of India has cancelled the certificates of registration granted to the following companies, having their registered offices at the address shown against them, for carrying on the business of a non-banking financial institution. Following cancellation of the registration certificate the companies cannot transact the business of a non-banking financial institution.

Company's name	Address of Registered office	Registration No. & Date	Date of cancellation
Nanavati Associates Private Limited	401, Panchratna, Queen Road, Opera House, Mumbai-400004	13.00880 dated May 26, 1998	March 05, 2010
Ramsons Steel Private Limited	Rahim's Building, Teen Nal Chowk, Bhandara Road, Itwari, Nagpur - 440002	13.00688 dated April 20, 2000	March 05, 2010

By the powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

Reserve Bank Cancels the Licence of Parmatma Ek Sewak Nagrik Sahakari Bank Ltd., Nagpur, Maharashtra

May 7, 2010

In view of the fact that Parmatma Ek Sewak Nagrik Sahakari Bank Ltd., Nagpur,

Maharashtra had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order cancelling its licence to the bank after the close of business on April 27, 2010. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of Rs. 1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

Consequent to the cancellation of its licence, Parmatma Ek Sewak Nagrik Sahakari Bank Ltd., Nagpur, Maharashtra is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (AACS) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Smt. M. Yashoda Bai, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Nagpur. Her contact details are as below:

Postal Address: Additional Office Building, East High Court Road, Post Box 118, Nagpur 400 001. Telephone Number: (0712) 2538696; Fax Number: (0712) 2552896.

Reserve Bank Cancels the Licence of Vidarbha Urban Co-Operative Bank Ltd., Akola, (Maharashtra)

May 10, 2010

In view of the fact that Vidarbha Urban Co-operative Bank Ltd., Akola, (Maharashtra) had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors of the bank were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order, canceling its licence to the bank on April 22, 2010 at 10.15 a.m. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1,00,000/- (Rupees One Lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Consequent to the cancellation of its licence, Vidarbha Urban Co-Operative Bank Ltd., Akola, (Maharashtra) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Smt. M. Yashoda Bai, Deputy General Manager, Urban Banks Department,

Reserve Bank of India, Nagpur. Her contact details are as below:

Postal Address: Additional Office Building, East High Court Road, Post Box 118, Nagpur 440 001. Telephone Number: (0712) 2538696, Fax Number: (0712) 2552896,

RBI and 926 branches of Banks to accept Advance Income Tax

May 13, 2010

As many as 926 computerised branches of public and private sector banks will receive advance income tax in Mumbai and Navi Mumbai. These arrangements have been made for the convenience of the income tax assesses. Of the 926 bank branches, 862 branches are public sector bank branches, 35 HDFC bank branches, 10 ICICI bank branches and 19 AXIS bank branches. The Reserve Bank of India has advised income tax assesses to take advantage of these standing arrangements made for their convenience.

Long queues and inconveniences can be avoided at the Reserve Bank of India counters if the assesses in Mumbai and Navi Mumbai utilise the services being made available at various designated branches of banks and deposit their income tax dues well in advance of the last date.

RBI Announces Liquidity Easing Measures

May 26, 2010

The Monetary Policy Statement for 2010-11 had indicated that the Reserve Bank intends to actively manage liquidity to

ensure that the growth in demand for credit by both the private and public sectors is satisfied in a non-disruptive way. Accordingly, the Reserve Bank has been closely monitoring the developments in the global and domestic financial markets.

2. The latest assessment of liquidity conditions suggests that there could be temporary liquidity pressures in the market largely due to changes in government balances on account of advance tax payments and 3G auctions. In order to address the temporary liquidity pressures, the following measures are being taken:

- i. Scheduled commercial banks may avail of additional liquidity support under the LAF to the extent of up to 0.5 per cent of their net demand and time liabilities (NDTL). For any shortfall in maintenance of SLR arising out of avilment of this facility, banks may seek waiver of penal interest purely as an *ad hoc*, temporary measure. This facility will be available till July 2, 2010.
- ii. The second LAF (SLAF) will be conducted on a daily basis up to July 2, 2010. The SLAF will be conducted between 4.00 p.m. and 4.30 p.m.
3. These measures are *ad hoc* in nature and the additional liquidity support under this scheme and the daily SLAF will be available with effect from May 28, 2010 and up to July 2, 2010.

Related Notification

May 28, 2010 Second Liquidity Adjustment Facility

Do Not fall Prey to Fictitious Offers of Funds Transfer: RBI Advisory

May 28, 2010

The Reserve Bank advised banks on May 26, 2010, to exercise due caution and to be extra vigilant concerning the fictitious offers whereby bank accounts are opened and/or transactions made in the accounts for receiving payments styled as transaction charges, *etc.* towards the so-called transfer of prize money/award money, *etc.* The Reserve Bank has clarified that any person resident in India collecting and effecting/remitting such payments directly/indirectly outside India is liable to be proceeded against with, for contravention of the Foreign Exchange Management Act, 1999 besides being liable for violation of regulations relating to Know Your Customer (KYC) norms/Anti Money Laundering (AML) standards.

The Reserve Bank has also re-iterated that the Foreign Exchange Management Act, 1999 prohibits remittance in any form towards participation in lottery schemes. These restrictions are also applicable to remittances for participation in lottery like schemes existing under different names, such as, money circulation scheme or remittances for the purpose of securing prize money/awards, *etc.*

In its circular issued to banks, the Reserve Bank has stated that there has been a spate of fictitious offers of cheap funds in recent times from fraudsters. These came through letters, e-mails, mobile phones, SMS, *etc.* Detailing the modalities of the fraudsters, the Reserve Bank stated that communication was being sent on fake

letterheads of the Reserve Bank and purportedly signed by its top executives/senior officials to targeted people. Many residents have been victims of such teasing offers and have lost huge sums of money in the process. It was further brought to the Reserve Bank's notice that fraudsters sought money from gullible people, under different heads, such as, processing fees/ transaction fees/ tax clearance charges/ conversion charges, clearing fees, *etc.* The fraudsters open multiple accounts in banks in the name of individuals or proprietary concerns in different bank branches for collecting transaction charges, *etc.* The fraudsters persuade the victims to deposit certain amount in these accounts. The amounts are withdrawn immediately leaving the victims in a quandary.

The Reserve Bank has alerted the public on several occasions in the past about such fictitious schemes/offers through the print and the electronic media. More such public education campaigns are also being planned. The Reserve Bank has asked banks to bring the contents of the circular to the notice of their constituents and customers concerned and to give it wide publicity.

Related Press Releases/Notification

May 28, 2010 Remittance towards participation in lottery, money circulation schemes, other fictitious offers of cheap funds, *etc.*

Jul 30, 2009 Beware of Fictitious Offers/Lottery Winnings/Cheap Fund Offers: RBI

Dec 07, 2007 RBI cautions Public against Fictitious Offers of Remitting Cheap Funds from Abroad