

Press Releases

February 2010

The Bank of Rajasthan Ltd. – Penalised

February 25, 2010

The Reserve Bank of India has imposed a monetary penalty of Rs.25.00 lakh (Rupees Twenty Five Lakh only) on The Bank of Rajasthan Ltd. in exercise of powers vested in it under the provisions of Section 47A(1)(b) of the Banking Regulation Act, 1949. The penalty is levied for (i) violation of the Reserve Bank of India's directions issued under Section 35A of the Banking Regulation Act, 1949 in the area of acquisition of immovable properties, (ii) deletion of records in the bank's IT systems, (iii) Non-adherence to know your customer/ anti money laundering guidelines in the opening and conduct of certain accounts, (iv) irregularities in the conduct of accounts of a corporate group and (v) failure to provide certain documents sought by the Reserve Bank of India and misrepresenting that such documents were not available.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. Based on the reply, the Reserve Bank of India came to the conclusion that the violation was substantiated and warranted imposition of penalty. Accordingly, it penalised the bank.

Reserve Bank Cancels the Licence of Ichalkaranji Urban Co-operative Bank Ltd., Ichalkaranji, Kolhapur, Maharashtra

February 23, 2010

In view of the fact that Ichalkaranji Urban Co-operative Bank Ltd., Ichalkaranji,

Kolhapur, 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 February 11, 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, Ichalkaranji Urban Co-operative Bank Ltd., Ichalkaranji, Kolhapur, 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.

Reserve Bank Cancels the Licence of the Chadchan Shree Sangameshwar Urban Co-operative Bank Ltd., Chadchan, Karnataka

February 16, 2010

In view of the fact that the Chadchan Shree Sangameshwar Urban Co-operative Bank Ltd., Chadchan (Karnataka) had ceased to be solvent, all efforts to revive it in close consultation with the Government of Karnataka 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 after the close of business on February 13, 2010. The Registrar of Co-operative Societies, Karnataka 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/- from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Consequent on cancellation of its licence, the Chadchan Shree Sangameshwar Urban Co-operative Bank Ltd., Chadchan (Karnataka) 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.

Reserve Bank Rejects application for Licence of Rajwade Mandal Peoples' Co-operative Bank Ltd., Dhule, District Dhule, Maharashtra

February 10, 2010

In view of the fact that The Rajwade Mandal People's Co-operative Bank Ltd., Dhule, District Dhule, 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 of rejecting application for licence to the bank after the close of business on 27 January, 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 rejection of its application for licence, Rajwade mandal Peoples' Co-operative Bank Ltd., Dhule, District Dhule, 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.

Investment by FIIs under PIS : Welspun India Limited

February 10, 2010

The Reserve Bank of India today notified that Welspun India Limited has agreed to enhance the limit for purchase of its equity shares and convertible debentures by Foreign Institutional Investors (FIIs), through primary market and stock exchanges, under the Portfolio Investment Scheme up to 49 per cent of its total paid up capital. The company has passed a resolution at the board of directors' level and annual general meeting by its shareholders to do so.

Foreign Institutional Investors can now purchase under the Portfolio Investment Scheme through primary market and stock exchanges, equity shares of Welspun India Limited, provided :

- i. The total purchases by all FIIs do not exceed the applicable overall ceiling limits of 49 per cent of total paid-up equity capital and total paid-up value of each series of convertible debentures of the company.
- ii. The purchases of equity shares by a single FII/SEBI approved sub-account of a registered FII in the company does not exceed 10% (Ten per cent) of the paid-up equity capital of the company.

Investment by FIIs under PIS : M/s. Sobha Developers Limited

February 5, 2010

The Reserve Bank of India today notified that M/s. Sobha Developers Limited has agreed to enhance the limit for purchase of its equity shares and convertible debentures by Foreign Institutional Investors (FIIs), through primary market and stock exchanges, under the Portfolio Investment Scheme up to 100 per cent of its total paid up capital. The company has passed a resolution at the board of directors' level and extraordinary general meeting by its shareholders to do so.

Foreign Institutional Investors can now purchase under the Portfolio Investment Scheme through primary market and stock exchanges, equity shares of M/s. Sobha Developers Limited, provided :

- i. The overall limit for FII's purchases has now been raised to 100 per cent. The revised FII limit of 100 per cent is within the overall 100 per cent FDI limit applicable to the company.

- ii. The purchases of equity shares by a single FII/SEBI approved sub-account of a registered FII in the company does not exceed 10% (Ten per cent) of the paid-up equity capital of the company.

Reserve Bank Cancels the Licence of the Raichur Zilla Mahila Pattana Sahakara Bank Niyamitha, Raichur, Karnataka

February 4, 2010

In view of the fact that the Raichur Zilla Mahila Pattana Sahakara Bank Niyamitha, Raichur (Karnataka) had ceased to be solvent, all efforts to revive it in close consultation with the Government of Karnataka 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 after the close of business on January 29, 2010. The Registrar of Co-operative Societies, Karnataka 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/- from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Consequent on cancellation of its licence, Raichur Zilla Mahila Pattana Sahakara Bank Niyamitha, Raichur (Karnataka) 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.

RBI withdraws Short-term Forex Loans facility for NBFCs and HFCs

February 3, 2010

The Reserve Bank of India has withdrawn, with immediate effect, the facility of short-term foreign currency borrowings provided to Non-Banking Finance Companies-Non-Deposit Taking-Systemically Important (NBFC-ND-SI) and the Housing Finance Companies (HFCs). The decision has been taken after a review of the prevailing macroeconomic conditions and improvements in the domestic credit and liquidity conditions.

The Reserve Bank had, as a temporary measure, allowed NBFCs-ND-SI on October 31, 2008 and Housing Finance Companies on November 17, 2008, to raise short-term foreign currency borrowings not exceeding 50 per cent of the Net Owned Funds (NOF) or USD 10 million, whichever was higher, for refinancing their short-term liabilities. The facility was extended to these companies under the approval route, subject to certain terms and conditions.

Certificate of Registration - Cancelled

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.

Sr. No.	Press Release No.	Company's Name	Address of Registered Office	Date of cancellation
1	Feb 09, 2010	M/s. Pasco Motor Traders & Financiers (P) Ltd.	Pasco House, 177E, Industrial Area, Chandigarh	November 25, 2009
2	Feb 09, 2011	M/s Karam Chand Thapar & Bros Limited	Thapar House, 124, Janpath, New Delhi -110001	January 07, 2010
3	Feb 02, 2009	Share & Care Resorts & Marketing (India) Limited	407, Hill View Industrial Estate, LBS Marg, Ghatkopar (West), Mumbai - 400 086	November 25, 2009
4	Feb 02, 2010	Parijat Shipping and Finale Limited	Parijat House, 2nd Floor, 1076 Dr. E. Moses Road, Worli, Mumbai - 400 018	November 23, 2009
5	Feb 02, 2011	Ind Finance & Securities Trust Private Limited	404, A.N. Chambers, Turner Road, Bandra (W), Mumbai - 400 050	December 02, 2009
6	Feb 02, 2012	A.D. Cotton Mills Pvt. Ltd.	86, Arcadia, 8th Floor, Nariman Point, Mumbai - 400 021	December 12, 2009
7	Feb 02, 2013	Inducon India Ltd.	63/69, Nagdevi Cross Lane, 1st Floor, Room No. 6, Mumbai - 400 003	December 08, 2009
8	Feb 02, 2014	Capricon Infin Pvt. Ltd.	Shop No. 4, R.S.K. Apartment, IC Colony, Borivali (W), Mumbai - 400 103	December 08, 2009
9	Feb 02, 2015	Dhamria Financial Services Ltd.	18/22, Zaveri Bazar, 1st Floor, Near Cotton Exchange Building, Mumbai - 400 002	December 08, 2009
10	Feb 02, 2016	G.M. Somjee Finance Pvt. Ltd.	14-15, United Apartments, 2407 East Street, Pune - 411 001	December 08, 2009
11	Feb 02, 2017	Udgir's Dhanlaxmi Finance & Leasing Ltd.	Mayur Niwas, Srinagar Colony, Bidar Road, Udgir - 413 512	December 14, 2009
12	Feb 02, 2018	S.J. Securities Ltd.	317, 3rd Floor, Loha Bhavan, Near Old High Court, Ashram Road, Ahmedabad - 380 009	December 14, 2009

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.