

Press Releases

April 2010

**Certificate of Registration -
Cancelled****April 1, 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
M/s. Bholanath Khanna & Company Private Limited	L-23, Connaught Place, Near Odean Cinema, New Delhi-411001	B-14.00992 dated May 15, 2000	February 09, 2010
M/s. Sunny Finlease Private Limited	Mezz Floor, Ashoka Centre, E-4/15, Jhandewala Extn., New Delhi - 110055	B-14.01924 dated September 8, 2000	March 04, 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.

**Certificate of Registration of
Jayant Mercantile Company
Limited – Cancelled****April 6, 2010**

The Reserve Bank of India has on January 25, 2010 cancelled the certificate of registration granted to Jayant Mercantile Company Limited having its registered office at Goenka House, Ground Floor, 16,

Walkeshwar Road, Mumbai-400006 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.

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Company's name	Address of Registered office	Registration No. & Date	Date of cancellation
Gobans Financial Services Limited	303, Ashirwad, Ahmedabad Street, Mumbai-400009.	13.00092 dated February 26, 1998	January 22, 2010
Topmark Properties Limited	1-A, Hill View Apartment, J.P.Road, Andheri (West), Mumbai-400058	13.00761 dated April 20, 1998	January 25, 2010
Uniworth Finlease Ltd.	312, Bharat Photo House, 545, Kalbadevi Road, Mumbai-400002	13.00470 dated March 24, 1998	February 1, 2010
Online Beverages Private Ltd.	25, Ramwadi, R.No.55, Kalbadevi Road, Mumbai-400002	13.01023 dated September 26, 1998	February 4, 2010
Nalby Financial Services Pvt. Ltd.	304, Malhotra House, Walchand Hirachand Marg, Mumbai-400001	13.00947 dated August 5, 1998	February 4, 2010
Vaghani Finance Ltd.	76/37, N.M.Building, Mumbai Central, Sukhalaji Street, Mumbai-400008	13.00380 dated March 23, 1998	February 4, 2010
Pragati Bonds & Holdings Ltd.	Old Motor Stand, Itwari, Nagpur-440008	13.00686 dated April 20, 1998	February 4, 2010
Zuari Crefin Ltd.	A/3, Alice Apartments, Miramar, Panaji, Goa-43001	13.00911 dated May 26, 1998	February 11, 2010
PEE IIE Investments Pvt. Ltd.	Flat No.3, Oval View, 1st Floor, Maharshi Karve Road, Mumbai-400020	B-13.01006 dated September 10, 1998	February 11, 2010

Reserve Bank Cancels the Licence of National Co-operative Bank Ltd., Kurnool, Dist. Kurnool, (Andhra Pradesh)

April 9, 2010

In view of the fact that National Co-operative Bank Ltd., Kurnool, Dist. Kurnool, (Andhra Pradesh) had defaulted in repayment of deposits, was a chronic defaulter in submission of statutory returns since 2005, had failed to produce audited balance sheets since 2005 and all efforts to ensure regulatory compliance in

consultation with the Government of Andhra Pradesh had failed and the depositors 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 April 7, 2010. The Registrar of Co-operative Societies, Andhra Pradesh State 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, National Co-operative Bank Ltd., Kurnool, Dist. Kurnool, (Andhra Pradesh), 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 Shri. P.Subrahmanyam, General Manager, Urban Banks Department, Reserve Bank of India, Secretariat Road, Saifabad, Hyderabad . His contact details are as below:

Postal Address: Urban Banks Department, Reserve Bank of India, Secretariat Road, Saifabad, Hyderabad - 500004. Telephone Number: (040) 23234920; Fax Number: (040) 23235891;

Market Stabilisation Scheme: Ceiling For Fiscal Year 2010-11

April 12, 2010

In accordance with the provisions of the Memorandum of Understanding (MoU) on the Market Stabilisation Scheme (MSS), the ceiling for the outstanding under the MSS for the fiscal year 2010-11 has been fixed at Rs.50,000 crore. This ceiling will be reviewed when the outstandings reach the threshold limit of Rs.35,000 crore.

The current MSS outstanding balance (face value) is Rs.2,737 crore which is due for redemption during the fiscal year 2010-11.

Reserve Bank Cancels the Licence of Rajeshwar Yuvak Vikas Sahakari Bank Ltd.,Satara, (Maharashtra)

April 20, 2010

In view of the fact that Rajeshwar Yuvak Vikas Sahakari Bank Ltd.,Satara. (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 8, 2010. The Registrar of Co-operative Societies, Maharashtra State 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, Rajeshwar Yuvak Vikas Sahakari Bank Ltd., Satara 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 Shri P.K Arora, Deputy General Manager, Urban Banks Department, Mumbai Regional Office Reserve Bank of India, Garment House, Worli, Mumbai -400018. His contact details are as under:

Postal Address : Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, Garment House, Worli, Mumbai 400 018. Telephone Number: 022 -2493 9930-49, Direct No. 24935348; Fax Number: 24935495; Email.

RBI changes guidelines for Securitisation Companies and Reconstruction Companies

April 21, 2010

The Reserve Bank of India has today announced changes in the guidelines issued to securitisation companies and reconstruction companies. The guidelines were originally issued on April 23, 2003 and September 20, 2006. The changes have been announced to facilitate such companies in complying with the guidelines. According to the changed guidelines :

- Securitisation companies (SCs)/ reconstruction companies (RCs) can acquire the assets either in their own

books or directly in the books of the trusts set up by them.

- The period for realisation of assets acquired by SC/RCs can be extended from five years to eight years by their Board of Directors, subject to conditions.
- Additional avenues for deployment of surplus funds with National Bank for Agriculture and Rural Development (NABARD) and Small Industries Development Bank of India (SIDBI) are provided to securitisation companies and reconstruction companies. An upper limit of 10 per cent of the owned funds has been stipulated for the investment of SC/RCs in land and buildings for their own use.
- Any asset/security receipts which remain unresolved/not redeemed as at the end of five years or eight years would now be treated as loss asset.
- With a view to bringing transparency and market discipline in the functioning of SC/RCs, additional disclosures related to assets realised during the year, value of financial assets unresolved as at the end of the year, value of security receipts pending for redemption, etc., have been prescribed.
- It is now mandatory for SC/RCs to invest in and continue to hold a minimum five per cent stake of the outstanding amount of the security receipts issued by them under each scheme and each class till the redemption of all the security receipts issued under a particular scheme.

Two circulars containing these modifications have been placed on the Reserve Bank of India's website www.rbi.org.in.

RBI Guidelines to SCs/RCs for change in take over of the Management of the Borrower's under the SARFAESI Act, 2002

April 22, 2010

The Reserve Bank of India has today released the final guidelines to enable securitisation companies (SCs) and reconstruction companies (RCs) to change or takeover the management of the business of the borrower in order to realise their dues.

The guidelines have been framed under Section 9 (a) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) Act.

The objective of these guidelines is to ensure fairness, transparency, non-discrimination and non-arbitrariness in the action of securitisation companies/reconstruction companies and to build in a system of checks and balances while effecting change in or take over of the management of the business of the borrower by SCs/RCs.

The guidelines lay down the eligibility conditions and grounds based on which SCs/RCs may exercise powers to effect change in or take over the management of the business of the borrower for realising their dues. SCs/RCs should frame policy guidelines in this matter with the approval of their Board of Directors.

The guidelines also provide for setting up of an Independent Advisory Committee (IAC) to evaluate the proposals of the SCs/RCs, giving compulsory notice of 60 days to the borrower indicating the intention of the SC/RC of effecting change in or taking over the management of his business, giving opportunity to the borrowers to file

objections, if any, examining borrowers' objections by IAC/Board of the SC/RC before a reasoned order is passed by the SC/RC.

It may be recalled that the draft guidelines were placed on the RBI's website on December 5, 2009. The guidelines have been finalised after taking into account the comments received from various stakeholders including banks, financial institutions, non-banking finance companies, securitisation companies/reconstruction companies, chambers of commerce and members of the public.

Certificate of Registration of Shogun Finlease Private Limited – Cancelled

April 26, 2010

The Reserve Bank of India has on March 8, 2010 cancelled the certificate of registration granted to Shogun Finlease Private Limited having its registered office at 504, Samartha Vaibhav, Lokhandwala Complex, Off Link Road, Andheri (West), Mumbai 400053 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.