

Press Releases

June 2009

Certificate of Registration of Jaybear Investments and Finance Private Limited – Cancelled

June 5, 2009

The Reserve Bank of India has on May 5, 2009 cancelled the certificate of registration granted to Jaybear Investments and Finance Private Limited having its registered office at No.D-10, 2nd Floor, Devatha Plaza, 131, Residency Road, Bangalore-560025 for carrying on the business of a non-banking financial institution as the company has opted to exit from the business of a non-banking financial institution. 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 Poorna Prajna Fincap Private Limited – Cancelled

June 12, 2009

The Reserve Bank of India has on May 18, 2009 cancelled the certificate of registration granted to Poorna Prajna Fincap Private Limited having its registered office at No.966, 1st Floor, 10th A Cross, Mahalakshmpuram, Bangalore-560086 for carrying on the business of a non-banking financial institution as the company has opted to exit from the business of a non-banking financial institution. 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

June 12, 2009

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.	Company's name	Address of Registered office	Date of cancellation
1.	M/s Piyush Finhold Private Limited	E-4, Second Floor, Defence Colony, New Delhi-110024	May 05, 2009 (Voluntary exit)
2.	M/s Marryl Investment Company Private Limited	S-17/18, Chanakya Place, Opposite, C-1 Janakpuri, New Delhi-110059	May 11, 2009
3.	M/s S.I.S. Finlease (India) Limited	100 A, Cycle Market, Jhandewalan Extension, New Delhi-110055	May 11, 2009
4.	M/s Khandelwal Securities Limited	116, Arunachal Building, 19, Barakhamba Road, New Delhi-110001	May 18, 2009 (Voluntary exit)

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.

Surrender of Primary Dealership Authorisation by DSP Merrill Lynch Securities Trading Limited

June 19, 2009

DSP Merrill Lynch Securities Trading Limited would cease to be a primary dealer with effect from June 22, 2009.

Pursuant to an agreement for merger between Bank of America Corporation, the parent company of Bank of America, N. A. and Merrill Lynch & Co., Inc., DSP Merrill Lynch Securities Trading Limited has become a subsidiary of Bank of America Corporation. DSP Merrill Lynch Securities Trading Limited has, therefore, decided to surrender the primary dealership authorization granted to them. Bank of America, N.A. would, however, continue to undertake primary dealership business as a departmental activity.

Reserve Bank Cancels the Licence of The Akot Urban Co-operative Bank Ltd., Akot. (Maharashtra)

June 22, 2009

In view of the fact that The Akot Urban Co-operative Bank Ltd., Akot, (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 after the close of business on June 20, 2009. 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).

The bank was granted a licence by Reserve Bank on May 10, 1994 to commence banking business. The statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2008 revealed that the bank was not complying with several provisions of the Banking Regulation Act 1949 (As applicable to Cooperative Societies) and had also violated several RBI guidelines / instructions. The realizable value of capital and reserves (Net Worth) of the bank had become negative. The bank was placed under directions under Section 35A of the Banking Regulation Act 1949 (As Applicable to Cooperative Societies) vide order dated January 01, 2009 precluding it from incurring any liability.

The Reserve Bank issued a notice to the bank on January 13, 2009 asking it to show cause as to why the license granted to it under Section 22 of the Banking Regulation Act, 1949(As Applicable to Cooperative Societies) on May 10, 1994 to conduct banking business should not be cancelled. The bank's reply to the show cause notice was examined and was found unacceptable.

As the realisable value of bank's paid-up capital and reserves was negative and the

chances of its revival were remote in the absence of a viable action plan, the Reserve Bank of India took the extreme measure of cancelling license of the bank after examining all options for its revival, in the interest of the bank's depositors. With the cancellation of its license and commencement of liquidation proceedings, the process of paying the depositors of The Akot Urban Co-operative Bank Ltd., Akot, (Maharashtra), the amount insured as per the DICGC Act will be set in motion.

Consequent to the cancellation of its licence, The Akot Urban Co-operative Bank Ltd., Akot, (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 Shri Shreedhar Behera, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Nagpur. His 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; or can be e-mailed .

Working Group on Benchmark Prime Lending Rate

June 22, 2009

In pursuance of the announcement made in the Annual Policy Statement released on April 21, 2009, the Reserve Bank of India constituted a Working Group on BPLR on June 11, 2009 and invited comments and suggestions on the proposed Terms of

Reference of the Working Group by June 19, 2009.

Accordingly, the terms of reference of the Working Group finalised in the light of comments received in response to the Reserve Bank's press release of June 11, 2009 are to:

- i) review the concept of BPLR and the manner of its computation;
- ii) examine the extent of sub-BPLR lending and the reasons thereof;
- iii) examine the wide divergence in BPLRs of major banks;
- iv) suggest an appropriate loan pricing system for banks based on international best practices;
- v) review the administered lending rates for small loans up to Rs 2 lakh and for exporters;
- vi) suggest suitable benchmarks for floating rate loans in the retail segment; and
- vii) consider any other issue relating to lending rates of banks.

It was indicated that the Working Group would be chaired by Shri Deepak Mohanty, Executive Director, Reserve Bank of India and will have representations from the concerned departments of the Reserve Bank, Indian Banks' Association, Banking Codes and Standards Board of India, and public, private and foreign banks. The Group would also comprise external experts.

Accordingly, the constitution of the Working Group will be as follows:

Shri Deepak Mohanty Executive Director Reserve Bank of India Mumbai.	Chairman
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Dr. T. T. Rammohan Professor Indian Institute of Management Ahmedabad.	Member
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Dr Jahangir Aziz Chief Economist (India) J.P. Morgan M u m b a i .	Member
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Shri P. Vijaya Bhaskar Chief General Manager Department of Banking Operations and Development Reserve Bank of India Mumbai.	Member
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Dr. Janak Raj Adviser-in-Charge Monetary Policy Department Reserve Bank of India Mumbai.	Member
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Representatives from Indian Banks' Association, Banking Codes and Standards Board of India, State Bank of India, Punjab National Bank, Canara Bank, ICICI Bank and Citibank will be members.

Dr. Himanshu Joshi Director Monetary Policy Department Reserve Bank of India Mumbai.	Member Secretary
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The Working Group may co-opt any other members as special invitees and may consult with all stakeholders.

The secretarial support to the Working Group would be provided by the Monetary Policy Department (MPD) of the Reserve Bank of India.

The Working Group is expected to submit its Report by end-August 2009.

The Working Group welcomes comments and suggestions on the issues relating to lending rates of banks including BPLR, which may please be forwarded to the Adviser-in-Charge, Monetary Policy Department, Reserve Bank of India, Central Office, Mumbai 400 001 (Fax: 022- 22610430; email).

Certificate of Registration - Cancelled

June 23, 2009

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.	Company's name	Address of Registered office	Date of cancellation
1.	M/s Goyal Textiles Industries Private Limited	1598 Main Bazar, Paharganj, New Delhi-110055	June 01, 2009
2.	M/s J.D.C. Estate Developers Limited	59/2 Third Floor, Flat No. 302, New Rohtak Road, Karol Bagh, New Delhi-110005	June 01, 2009
3.	M/s Motivational Securities Private Limited	BA-1, Mongol Puri Industrial Area II, New Delhi-110034	June 01, 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.

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Sr. No.	Company's name	Address of Registered office	Date of cancellation
1.	M/s Newways Finance Private Limited	36/7 Gali No.1, Arya Nagar, Kadkad Dooma, Delhi-110092.	May 26, 2009
2.	M/s Johar Integrated Finance Company Limited	A-36 Naraina Industrial Area Phase II, New Delhi-110028	June 01, 2009
3.	M/s Klark Realtors and Financiers Private Limited	T-43, D.C.M. School Marg, New Rohtak Road, New Delhi-110005	June 01, 2009
4.	M/s Exult Holdings Private Limited	20/0, Krishna Nagar P.O. Safdarjung Enclave, New Delhi - 110029	May 21, 2009
5.	M/s Flare Finance (India) Limited	4346/4C, Ansari Road, Darya Ganj, New Delhi - 110002	May 22, 2009
6.	M/s Imperial Financial Services Private Limited	C-26, 3rd Floor, Panchsheel Vihar, Khirki Extension, Near Apeejay School, New Delhi - 110017	May 21, 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.