

Rejection of application for certificate of registration

July 2, 2001

The Reserve Bank of India, in exercise of the powers conferred on it under Section 45 IA of the Reserve Bank of India Act, 1934, has rejected on June 25, 2001 the application for certificate of registration submitted by M/s. Sagar Securities Private Limited having its Registered Office at 801 A Ashiana Plaza, Budh Marg, Patna-800 001.

As such, the above company cannot transact the business of a non-banking financial institution as defined in Clause (a) of Section 45 I of the Reserve Bank of India Act, 1934.

Further, Reserve Bank of India, in exercise of the powers conferred on it under Section 45 MB of the Reserve Bank of India Act, 1934, has, with immediate effect, (i) prohibited the company from accepting deposits from any person in any form or by way of renewal or otherwise, and (ii) directed the company not to sell, transfer, create charge or mortgage or deal in any manner with its properties and assets without prior written permission of Reserve Bank of India, until further orders.

The Reserve Bank of India has also directed the company to advise its depositors (i) that Reserve Bank has rejected its application for Certificate of Registration and (ii) its plan of action for repayment of deposits as per the terms and conditions of the contract.

P.V. Sadanandan
Asst. Manager

Press Release : 2001-02/3