

September 30, 1998

## **Provisional Liquidator appointed on M/s. Asia Pacific Investment Trust Ltd., Hyderabad**

The Hon'ble High Court has admitted a petition filed by the Reserve Bank of India against M/s. Asia Pacific Investment Trust Ltd., and has passed an order on September 7, 1998 for appointment of the Official Liquidator as Provisional Liquidator to take charge of all assets and properties of the company. The matter has been posted for further hearing on October 25, 1998.

It may be recalled that M/s. Asia Pacific Investment Trust Ltd., a non-banking financial company (NBFC) was originally incorporated on August 30, 1983 under the Companies Act, 1956 as M/s. Nagarjuna Investment Trust Ltd., and had changed its name to M/s. Asia Pacific Investment Trust Ltd., on September 15, 1994. The company has its registered office at 26, Nagajuna Hills, Panjagutta, Hyderabad 500 082. The company had violated various provisions of the Reserve Bank's Directions issued to NBFCs and also did not adhere to the guidelines on prudential norms. The company was last inspected by the Reserve Bank with reference to its financial position as on March 31, 1996. On the basis of findings of the inspection and also in view of many complaints against the company about default in repayment of deposits/payments of interest, the company was prohibited by the Reserve Bank on July 9, 1997 from accepting any fresh deposits. The company was also precluded from disposing off its assets without prior approval of the Reserve Bank of India.

The company did not show any improvement in its financial position after issue of the Prohibitory Order. Its overdue deposits from public at the end of February 1998 amounted to Rs.32.49 crore. Taking into account all the relevant factors, the application of the company for issue of Certificate of Registration to carry out the business of non-banking financial institution was rejected by the Reserve Bank on May 13, 1998 and, consequently, the company was precluded from carrying on the business of non-banking financial institution from that date.

Some of the depositors of the company had approached the Company Law Board (CLB) for issue of orders to the company for repayment of their deposits. The company, however, failed to comply with the Orders passed by the CLB. The Reserve Bank, therefore, decided to take stringent action against the company, in exercise of the powers vested in the Reserve Bank under the Reserve Bank of India Act, 1934. A petition for winding up of the company was filed in the Hon'ble High Court of Andhra Pradesh at Hyderabad in terms of Section 45MC of the Reserve Bank of India Act, 1934.

Alpana Killawala  
General Manager

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