

October 26, 1998

RBI prohibits M/s. Samruddhi Saving & Investment (India) Ltd., Raipur (M. P.) from accepting deposits

The Reserve Bank of India, in exercise of the powers vested in it under sub-section (4) of section 45 K read with section 45MB of the Reserve Bank of India Act, 1934, has prohibited M/s Samruddhi Saving & Investment (India) Ltd., B-4 & B-5 Ground Floor, Garchaz Complex, Jail Road, Raipur (M. P.) with Corporate Office at 181, Gotmore Complex, N. B. Road, Gokul Peth, Nagpur 440 010 from accepting deposits with effect from 14th October 1998 from any person in any form whether by way of fresh deposits or renewal or otherwise. The Prohibitory Order has been issued for the following, among other reasons :

(i) The Company has violated the provisions of Section 45-IB of the RBI Act, 1934 by not investing in unencumbered approved securities an amount of not less than 10% of the public deposits outstanding in its books.

(ii) The Company has violated several provisions of the Residuary Non-Banking Companies (Reserve Bank) Directions, 1987 as amended till date.

(iii) The Special Audit Report on the Company had revealed several Adverse features in its functioning.

Further, in exercise of the powers conferred on it under sub-Section (2) of Section 45 MB of the RBI Act, 1934 the Reserve Bank of India has directed M/s Samruddhi Saving & Investment (India) Ltd., not to sell, transfer, create charge or mortgage or deal in any manner with its property and assets without prior written permission of the Bank, except for repayment of deposits for a period of six months from the date mentioned above i.e 14th October 1998.

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