

October 28, 1998

## **Prizindia Ltd. not eligible to do NBFC business**

The Reserve Bank of India has cautioned members of the public that collection of deposits by M/s. Prizindia Ltd., having its registered office at Faizel Building, Manarcad PO, Kottayam-686 019, is in contravention of the provisions of the Reserve Bank of India Act, 1934. Any investment in the units of M/s. Prizindia Ltd. will be at the investors' own risk.

It had come to the notice of the Reserve Bank of India that M/s. Prizindia Ltd. was mobilising funds from the members of the public by selling units of Rs.300 each under a scheme of five years duration. The financial business carried on by the Company was the business of a non-banking financial company, as defined under clause (f) of Section 45I of the Reserve Bank of India Act, 1934. The company had, however, not made any application to the Reserve Bank of India for grant of a Certificate of Registration as required under Section 45 IA of the Reserve Bank of India Act. The company is, therefore, not eligible to commence or carry on the business of a non-banking financial company. Collection of deposits by M/s. Prizindia Ltd. is in violation of the provisions of Section 45 IA of the Reserve Bank of India Act. Under the provisions of Section 58B(4A) of the Reserve Bank of India Act, violation of the provisions of Section 45IA is punishable with imprisonment for a term up to five years and with fine up to Rs.5 lakh.

**Alpana Killawala**  
General Manager

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