

**Reserve Bank Cancels Certificate of Registration of
Maggy Finance Private Limited, Nellore**

July 10, 2003

The Reserve Bank of India, has on July 8, 2003 cancelled the certificate of registration granted to Maggy Finance Private Limited having its registered office at 3/369-Lakshmipuram, Nellore, Andhra Pradesh-524 002, for carrying on the business of a non-banking financial institution.

Following cancellation of registration certificate, Maggy Finance Private Limited cannot transact the business of a non-banking financial institution. The company has also been prohibited from acceptance of deposits and prohibited from alienation of assets. The company is, however, under an obligation to repay public deposits as per the terms and conditions of the contract of deposit.

Under powers conferred by Section 45IA of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of non-banking financial company. Under Section 45MB (1) of this Act, the Reserve Bank can prohibit non-banking financial company for accepting deposits; and under Section 45MB (2), it can prohibit the company from alienating its assets. The business of a non-banking financial institutions is defined in clause (a) of Section 45IA of the Reserve Bank of India Act, 1934.

**P. V. Sadanandan
Manager**

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