



RESERVE BANK OF INDIA

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May 26, 2004

**Reserve Bank Cancels Certificate of Registration of
CFL Capital Financial Services Ltd., Kolkata**

The Reserve Bank of India, has on May 18, 2004 cancelled the certificate of registration granted to CFL Capital Financial Services Ltd., having its registered office at Century Plaza, Room No.233, 2nd Floor, 81, Netaji Subhas Road, Kolkata-700 001 for carrying on the business of a non-banking financial institution.

Following cancellation of registration certificate, CFL Capital Financial Services 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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