



**RESERVE BANK OF INDIA**

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### **Reserve Bank Cancels Certificate of Registration of Cheyyar Sri Vasavi Benefit Fund Limited, Chennai**

The Reserve Bank of India, has on February 7, 2005 cancelled the certificate of registration granted to Cheyyar Sri Vasavi Benefit Fund Limited having its registered office at B. Ramakannu Chettiar Building, No.40, Gandhi Road, Cheyyar-604 407 for carrying on the business of a non-banking financial institution.

Following cancellation of registration certificate, Cheyyar Sri Vasavi Benefit Fund Limited cannot transact the business of a non-banking financial institution. The company has also been prohibited from acceptance of deposits and alienation of assets.

However, the company is under an obligation to repay public deposits as per the terms of conditions of the contract of deposit, if any.

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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