INTERNATIONAL CONSTRUCTIONS LIMITED

July 19, 2018

To

The National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E) Mumbai - 400 051

Dear Sirs,

Sub: Cancellation of 'Certificate of Registration' for NBFC by RBI.

Today we have received the RBI letter no. DNBS (BG) No. 129/01.02.669/2018-19 dated 17.7.2018 advising us the cancellation of their 'Certificate of Registration' bearing No. 05.01031 dated March19, 1998 issued to our company for doing NBFC business as the company has failed to achieve the Net Owned Fund of two hundred lakhs of rupees before April 1, 2017. We attach herewith the said letter along with the Order dated 17.7.2018 issued by the Regional Director in this regard.

Kindly take note of the above.

Thanking You,
For **International Constructions Limited**

International Constructions Limited

S. Nakkiran
AGM & Company Secretary

Encl: As above

Rec'd 19/7/18

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

Registered Post with AD

DNBS (BG) No. 129 /01.02.669/2018-19 July 17, 2018

The Managing Director
International Constructions Limited
The Golden Enclave, Corporate Block
Tower B1, 5th Floor
HAL Old Airport Road
Bangalore – 560017

Dear Sir,

Cancellation of Certificate of Registration (COR) under Section 45- IA (6) of the RBI Act, 1934

Please refer to the application dated June 28, 1997 submitted by your company to the Reserve Bank of India seeking Certificate of Registration under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 to carry on the business of non-banking financial institution. The CoR bearing No. 05.01031 dated March 19, 1998 was issued to your company (formerly known as Subhash Capital City Limited). The company then submitted an application dated October 05, 2010 for shifting of its Registered Office from Kolkata to Bangalore. Upon change of Registered Office from the State of West Bengal to the State of Karnataka, a fresh Certificate of Registration No. B-02.00247 dated May 13, 2011 was issued to the company. You are, hereby, notified that in terms of the enclosed 'Order' dated July 17, 2018 passed by the Reserve Bank of India in exercise of its powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934, the said Certificate

गैर-बैंकिंग पर्यवेक्षण विभाग, क्षेत्रीय कार्यालय, 10/3/08 नृपतुंगा रोड, बेंगलूरू – 560 001
टेलीफोन: 080-22180382, 22277770 फैक्स: 080-22232199 ई-मेल: dnbsbangalore@rbi.org.in

Department of Non-Banking Supervision, Regional Office, 10/3/08 Nrupatunga Road, Bengaluru – 560 001
Phone: 080-22180382, 22277770 Fax: 080-22232199 E-mail: dnbsbengaluru@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए

चेतावनी: भारतीय रिज़र्व बैंक द्वारा डाक, ई-मेल, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं माँगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

No. B-02.00247 dated May 13, 2011 stands cancelled. In view of this, please note that your company cannot transact the business of a Non-Banking Financial Institution as defined in Clause (a) of Section 45-I of the RBI Act, 1934 and failure to do so shall attract penal action under Section 58B(4A) of the Act, ibid. The company should, therefore, stop carrying on NBFI activities with immediate effect.

2. You should, however, note that your company still continues to be governed by the relevant provisions of the Reserve Bank of India Act, 1934 and various directions/ instructions issued by RBI from time to time. You are, accordingly, advised to dispose of the financial assets of the company and bring it below 50% of the total assets within three years from the date of issue of the order for cancellation of Certificate of Registration. Therefore, you are required to submit the company's audited Balance Sheets for the next three financial years.

3. Your company is, hereby, further required to surrender original CoR, pass a specific Board Resolution not to carry on the business of a Non-Banking Financial Institution and submit a certified copy thereof and a Statutory Auditor Certificate to that effect for our record. Your attention is also drawn to the penal provisions contained in Chapter V of the Reserve Bank of India Act, 1934 for violation of any provisions of the Act, ibid.

4. Please acknowledge receipt.

Yours faithfully,

(K S Jyotsna)
General Manager
Encls: As above

गैर-बैंकिंग पर्यवेक्षण विभाग, क्षेत्रीय कार्यालय, 10/3/08 नृपतुंगा रोड, बेंगलूरू – 560 001
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Reserve Bank of India

Department of Non-Banking Supervision

Regional Office

Bengaluru

In the matter of

International Constructions Limited

In exercise of the powers conferred under
Section 45-IA of the Reserve Bank of India Act, 1934,
the Reserve Bank of India passes the following

Order

International Constructions Limited (formerly known as Subhash Capital City Limited), CIN No. L45309KA1983PLC038816, a non-deposit taking non-banking financial company (hereinafter referred to as "the company"), presently having its Registered Office at The Golden Enclave, Corporate Block, Tower B1, 5th Floor, HAL Old Airport Road, Bangalore - 560017, was incorporated on August 01, 1983 under the Companies Act, 1956. The company had submitted an application dated June 28, 1997 to the Reserve Bank of India ("the Bank") for Certificate of Registration (hereinafter referred to as "CoR") under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (hereinafter referred to as "the Act") to carry on the business of non-banking financial institution. The CoR bearing No. 05.01031 dated March 19, 1998 was issued to the company. The company then submitted an application dated October 05, 2010 for shifting of its Registered Office from Kolkata to Bangalore. Upon change of Registered Office from the State of West Bengal to the State of Karnataka, a fresh Certificate of Registration No. B-02.00247 dated May 13, 2011 was issued to the company. The said CoR was issued subject to the company fulfilling the requirements under Chapter III-B of the Act, and complying with the Directions, regulations including prudential norms issued by the Bank from time to time. The company was bound by the terms and conditions subject to which the said CoR was issued to it.

2. In terms of sub-Section (6) of Section 45-IA of the Act, the Bank may cancel CoR granted to a non-banking financial company, if it -

(i) ceases to carry on the business of a Non-Banking Financial Institution (NBFI) in India; or

(ii) has failed to comply with any condition subject to which the CoR had been issued to it; or

(iii) at any time fails to fulfill any of the conditions referred to in clauses (a) to (g) of sub-section (4) of Section 45-IA of the Act; or

(iv) fails-

(a) to comply with any Direction issued by the Bank under the provisions of Chapter IIIB of the Act; or

(b) to maintain accounts in accordance with the requirements of any law or any Direction or Order issued by the Bank under the provisions of Chapter IIIB of the Act; or

(c) to submit or offer for inspection its books of account and other relevant documents when so demanded by an inspecting authority of the Bank; or

(v) has been prohibited from accepting deposits by an order made by the Bank under the provisions of Chapter IIIB of the Act and such order has been in force for period not less than three months.

3. In terms of Revised Regulatory Framework for NBFCs (RBI/2014-15/520DNBR (PD) CC.No. 024/ 03.10.001/ 2014-15) read with Notification No.DNBR.007/CGM(CDS)-2015 dated March 27, 2015, the Bank had specified two hundred lakhs rupees as the net owned fund (NOF) required for a non-banking financial company to commence or carry on the business of non-banking financial institution. All non-banking financial companies holding a CoR issued by the Bank and having net owned fund of less than two hundred lakhs of rupees, were permitted to carry on the business of non-banking financial institution, provided such companies achieve the net owned fund of two hundred lakhs of rupees before April 1, 2017.

4. The company was holding CoR issued by the Bank on the date of issuance of the aforementioned directions and has failed to achieve the NOF of two hundred lakhs of rupees before April 1, 2017. The company's failure to achieve the specified NOF is in violation of the condition subject to which the company was permitted to continue

to carry on the business of a non-banking financial institution and the same amounts to violation of the directions issued by the Bank in exercise of its powers under Chapter III B of the Act.

5. In view of the above, the company was called upon, vide the Bank's letter DNBS (BG) No 1679/01.02.669/2017-18 dated June 25, 2018 to show cause within 15 days of the receipt of the order as to why the Certificate of Registration issued to the company should not be cancelled under section 45 – IA (6) of RBI Act and penal action be not initiated against the company for the offences punishable under Section 58B of the Act. Copies of the said show cause notice (SCN) were also sent to all the directors of the company.

The reply dated June 29, 2018 received from the company was not found to be satisfactory.

Thus, it has violated the statutory provisions contained in Chapter III-B of the Act. Allowing such company to remain as registered NBFC does not serve any public interest. The company and its Directors have been given a reasonable opportunity of making submissions to the Bank.

6. It is clear from the above, that the company is not eligible to continue to carry on the business of a non-banking financial institution on account of its failure to comply with the directions of the Reserve Bank as regard achievement of the specified NOF. Therefore, considering all the relevant facts, developments and affairs of the company, the Bank is satisfied that no public interest would be served in allowing the company to continue to undertake the business of a non-banking financial institution. Hence, it would be in order to cancel the CoR issued to the company.

7. The certificate of registration No. B 02.00217 dated May 13, 2011 issued to International Constructions Limited is accordingly cancelled in terms of Section 45-IA (6) of the Reserve Bank of India Act, 1934.

8. A copy of this order may be communicated to the company.

Place: Bengaluru
Date: July 17, 2018

Regional Director