



प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई 400001

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल email: helpdoc@rbi.org.in

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S. Marg, Mumbai 400001
फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 2270 3279

March 25, 2010

Reserve Bank Cancels the Licence of The Samata Sahakari Bank Ltd., Nagpur, Maharashtra

In view of the fact that The Samata Sahakari Bank Ltd., Nagpur, Maharashtra had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors of the bank were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order, canceling its licence to the bank after the close of business on March 19, 2010. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1, 00,000/- (Rupees One Lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

The bank was granted a licence by Reserve Bank on April 04, 1987 to commence banking business. The statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2006 revealed that the bank's financial position was adverse. The bank was placed under directions under Section 35A of the Banking Regulation Act 1949 (As Applicable to Cooperative Societies) vide order dated August 03, 2006 placing restrictions on its activities.

The Reserve Bank issued a notice to the bank on October 09, 2009 asking it to show cause as to why the licence granted to it under Section 22 of the Banking Regulation Act, 1949(As Applicable to Cooperative Societies) on April 04, 1987 to conduct banking business should not be cancelled. The bank's reply to the show cause notice was examined and was found unacceptable.

As the realizable value of bank's paid-up capital and reserves was negative and the chances of its revival were remote in the absence of a viable action plan, the Reserve Bank of India took the extreme measure of canceling licence of the bank after examining all options for its revival, in the interest of the bank's depositors. With the cancellation of its licence and commencement of liquidation proceedings, the process of paying the depositors of The Samata Sahakari Bank Ltd., Nagpur, Maharashtra the amount insured as per the DICGC Act will be set in motion.

Consequent to the cancellation of its licence, The Samata Sahakari Bank Ltd., Nagpur, Maharashtra is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach M. Yashoda Bai, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Nagpur. Her contact details are as below:

Postal Address: Additional Office Building, East High Court Road, Post Box 118, Nagpur 440 001, Tel No. (0712) 2538696 and 2806670, Fax No. (0712) 2552896, [Email](#)

Ajit Prasad
Manager