


	प्रेस प्रकाशनी PRESS RELEASE
<p>संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई 400001</p>	 भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA वेबसाइट : www.rbi.org.in/hindi Website : www.rbi.org.in इ-मेल email : helpdoc@rbi.org.in
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August 29, 2008

**Reserve Bank Cancels the Licence of
Miraj Urban Co-operative Bank Limited, Miraj, Maharashtra**

In view of the fact that Miraj Urban Co-operative Bank Limited, Miraj, Maharashtra, had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order cancelling its licence to the bank after the close of business on August 26, 2008. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of Rs. 1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

The bank was granted a licence by Reserve Bank on March 19, 1986 to commence banking business. The statutory inspection of the bank with respect to its position as on March 31, 2006 had indicated that its financial position was impaired. The bank was issued directions under Section 35 A of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) vide Directive UBD. CO. No.BSD.NSB/D-238/12.22.151/2005-06 dated October 27, 2006 restricting its operations, including placing a ceiling on withdrawal of deposits at Rs. 1000/-.

On the basis of findings of a quick scrutiny of the books of accounts of the bank conducted in March 2007 Reserve Bank issued a requisition dated July 25, 2007 to the Registrar of Co-operative Societies, Maharashtra State under section 110 A of Maharashtra Co-operative Societies Act, 1960 and the Board of Directors of the bank was superseded by RCS.

The bank was served a notice on August 2, 2007, calling on it to show cause as to why the licence granted to it under Section 22 of the Act on March 19, 1986 to carry on banking business, should not be cancelled and why steps should not be taken to wind up the bank. The bank sought some time to improve its position and to explore the possibility of merger with any other strong Urban Co-operative Bank.

The inspection of the bank with reference to its financial position as on March 31, 2008 revealed further deterioration in its financial position. With deposit erosion at 49.8% and the absence of any concrete proposal for merger, the possibility of revival of the bank was remote. Therefore, the Reserve Bank of India took the extreme measure of cancelling licence of the bank 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 Miraj Urban Co-operative Bank Limited, Miraj, Maharashtra, will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, Miraj Urban Co-operative Bank Limited, Miraj, Maharashtra, is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Shri P.K.Arora, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Mumbai. His contact details are : Postal Address: Urban Banks Department, Reserve Bank of India, Mumbai Regional Office, Second Floor, Garment House, Mumbai 400 018. Telephone Number: (022) 2493 9930-49, Direct No. (022) 2493 5348 Fax Number: (022) 2493 5495. Email.

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