


	प्रेस प्रकाशनी PRESS RELEASE
<p>संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई 400001</p> <p>DEPARTMENT OF COMMUNICATION, Central Office, S.B.S. Marg, Mumbai 400001</p> <p>फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 2270 3279</p>	 <p>भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA</p> <p>वेबसाइट : www.rbi.org.in/hindi Website : www.rbi.org.in ई-मेल email: helpdoc@rbi.org.in</p>

October 27, 2008

Licence of Shri S.K.Patil Co-operative Bank Ltd., Kurundwad - Cancelled

The Reserve Bank of India delivered the order cancelling the licence of the Shri S.K.Patil Co-operative Bank Ltd., Kurundwad, District Kolhapur, Maharashtra after the close of business on October 25, 2008. The bank 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 Registrar of Co-operative Societies (RCS), 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 22, 1996 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. Based on the findings of the inspection as on March 31, 2006 supervisory action was initiated against the bank and it was advised to take steps for improvement in its financial position.

The inspection findings with reference to its financial position as on March 31, 2007 revealed further deterioration in bank's financial position. Next inspection of the bank with reference to its position as on March 31, 2008 revealed that its financial position was precarious. The Reserve Bank of India issued directions under Section 35 A of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) vide Directive dated August 6, 2008 restricting its operations, including placing a ceiling on withdrawal of deposits at Rs. 1000/-. A requisition dated August 6, 2008 was also issued to RCS to supersede Board of Directors.

The Reserve Bank of India issued a notice to the bank on August 7, 2008 asking it to show cause as to why the licence granted to it to conduct banking business should not be cancelled. The reply to the show cause notice was examined. The bank did not have a viable plan of action for its revival. In the absence of any viable proposal for turn around 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 Shri S.K.Patil Co-operative Bank Ltd. will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, the bank is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (AACS) 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 and postal address : Reserve Bank of India, Urban Banks Department, Mumbai Regional Office, Second Floor, Garment House, Mumbai 400 018. Tel. No. : (022) 2493 5348, Fax (022) 2493 5495. Email.

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