


	प्रेस प्रकाशनी PRESS RELEASE
संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई 400001	 भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA वेबसाइट : www.rbi.org.in/hindi Website : www.rbi.org.in ई-मेल email: helpdoc@rbi.org.in
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Reserve Bank Cancels the Licence of Nutan Sahakari Bank Ltd., Vadodra

In view of the fact that Nutan Sahakari Bank Ltd., Vadodra, had ceased to be solvent, all efforts to revive it in close consultation with the Government of Gujarat 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 November 05, 2008. The Registrar of Co-operative Societies, Gujarat 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 December 16, 1986 to commence banking business. The statutory inspection of the bank with respect to its position as on December 31, 2002 had indicated that its financial position was impaired. Based on the findings of the inspection as on March 31, 2005 it was prohibited from acceptance of fresh deposits, allowing premature withdrawals and granting fresh advances vide letter dated August 18, 2005. Subsequently, as the bank's financial position deteriorated further, it was issued directions under Section 35 A of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) vide Directive dated August 08, 2007 restricting its operations, including placing a ceiling on withdrawal of deposits at Rs. 1000/-.

The statutory inspection of the bank with respect to its position as on March 31, 2007 revealed that its financial position was precarious. The Reserve Bank of India issued a show cause notice to the bank on September 05, 2007 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 and/or merger with another bank. 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 Nutan Sahakari Bank Ltd., Vadodra, Gujarat will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, Nutan Sahakari Bank Ltd., Vadodra, Gujarat 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 V.L.Phadke, Assistant General Manager, Urban Banks Department, Reserve Bank of India, Ahmedabad. His contact details are : Postal Address: Urban Banks Department, Reserve Bank of India, La Gajjar Chambers, Ashram Road, Ahmedabad -380 009; Telephone Number: (079) 26589338, Fax Number: (079) 26584853. Email

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