



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

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

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

December 17, 2008

**Reserve Bank Cancels the Licence of Shri Siddhi Venkatesh Sahakari Bank Ltd.,
Jalgaon, Maharashtra**

In view of the fact that Shri Siddhi Venkatesh Sahakari Bank Ltd., Jalgaon, 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 canceling its licence to the bank after the close of business on December 06, 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 February 16, 1998 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 subsequent inspection conducted with reference to its financial position as on March 31, 2007 revealed further deterioration in bank's financial position. The Reserve Bank of India issued directions under Section 35 A of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) on May 12, 2008 restricting its operations, including placing a ceiling on withdrawal of deposits at Rs. 1000/-.

The Reserve Bank of India issued a notice to the bank on May 12, 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 and it was observed that the bank did not have any viable plan of action for its revival.

In the absence of any viable proposal for turning around and achieving the required regulatory prescriptions, 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 Siddhi Venkatesh Sahakari Bank Ltd., Jalgaon, Maharashtra will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, Shri Siddhi Venkatesh Sahakari Bank Ltd., Jalgaon, Maharashtra 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 are as below:

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 or for e-mail [click here](#).

G. Raghuraj
Deputy General Manager

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