


	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>

January 01, 2009

**RBI cancels Licence of
Shri P.K. Anna Patil Janata Sahakari Bank Ltd., Maharashtra**

The Reserve Bank of India (RBI) has, on December 29, 2008, cancelled the licence of Shri P.K. Anna Patil Janata Sahakari Bank Ltd., District Nandurbar, Maharashtra. The licence has been cancelled as 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 were being inconvenienced by continued uncertainty. The Reserve Bank has requested the Registrar of Co-operative Societies, Maharashtra to issue an order for winding up the bank and for appointing a liquidator.

Consequent to the cancellation of its licence, Shri P.K. Anna Patil Janata Sahakari Bank Ltd., District Nandurbar, 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.

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 the usual terms and conditions.

The bank was granted a licence by Reserve Bank on July 8, 1986 to commence banking business. The statutory inspection of the bank with respect to its position as on March 31, 2005 had indicated that its financial position was impaired. 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, 2006 and March 31, 2007 revealed further deterioration in bank's financial position. The Reserve Bank issued directions under Section 35 A of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) on August 6, 2008 restricting its operations, including placing a ceiling on withdrawal of deposits at Rs.1000.

The Reserve Bank of India issued a show cause notice to the bank on August 7, 2008 asking it as to why its licence to conduct banking business should not be cancelled. The reply to the show cause notice was examined. It was noted that 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 and cancelled the 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 P.K. Anna Patil Janata Sahakari Bank Ltd., District Nandurbar, Maharashtra will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

For any clarifications, depositors may approach Shri P.K. Arora, Deputy General Manager at 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.

Alpana Killawala
Chief General Manager

Press Release : 2008-2009/1006