



प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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

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October 22, 2009

Reserve Bank cancels the Licence of The Surat Mahila Nagrik Sahakari Bank Ltd., Surat (Gujarat)

In view of the fact that The Surat Mahila Nagrik Sahakari Bank Ltd., Surat had ceased to be solvent, the affairs of the bank were being conducted in a manner detrimental to the interests of the depositors 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 October 20, 2009. 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 items and conditions.

The bank was granted a license by Reserve Bank on May 28, 1996 to commence banking business. The statutory inspection of the bank with reference to the position as on March 31, 2008 had indicated that its financial position was impaired. Subsequent inspection i.e. as on March 31, 2009 revealed that the bank's financial position deteriorated further.

The Reserve Bank of India issued a show cause notice to the bank on July 21, 2009 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 but was not found satisfactory. The affairs of the bank were being conducted in a manner detrimental to the interests of the depositors. 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 The Surat Mahila Nagrik Sahakari Bank Ltd., Surat, Gujarat will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, The Surat Mahila Nagrik Sahakari Bank Ltd., Surat, 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 C.N.Modi, Assistant General Manager, Urban Banks Department, Reserve Bank of India, Ahmedabad. His contact details are as below:

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