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प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बँक  
RESERVE BANK OF INDIA

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

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March 12, 2010

### **Reserve Bank Cancels the Licence of Annasaheb Patil Urban Co-operative Bank Ltd, Aurangabad (Maharashtra)**

In view of the fact that Annasaheb Patil Urban Co-operative Bank Ltd, Aurangabad, (Maharashtra) 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 Reserve Bank of India delivered the order, canceling its licence to the bank before commencement of the business as on March 9, 2010 at 9.30 a.m a day after the close of business on March 08, 2010. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1,00,000/- (Rupees One Lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

The bank was granted a licence by Reserve Bank on April 23, 1999 to commence banking business. The findings of the statutory inspections conducted with reference to its financial position as on March 31, 2006 revealed the financial position of the bank was adverse. On account of mismanagement by the Board of Directors, a requisition for supersession of the Board of Directors was issued by Reserve Bank of India to the Commissioner for Cooperation and Registrar for Cooperative Societies, Pune on December 08, 2006

The bank's financial performance was being reviewed constantly. However, the position of the bank as on March 31, 2007, March 31, 2008 and March 31, 2009 revealed that the financial position of the bank continued to be a matter of serious concern. Keeping in view the deteriorating financial position of the bank, the Reserve Bank issued a notice to the bank on November 19, 2009 asking it to show cause as to why the licence granted to it under Section 22 of the Banking Regulation Act, 1949(As Applicable to Cooperative Societies) on April 23, 1999 to conduct banking business should not be cancelled. The bank's reply to the show cause notice was examined and was found unacceptable.

The statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2009 revealed that the bank was not complying with several provisions of the Banking Regulation Act, 1949 (As applicable to Cooperative Societies) and had also violated several RBI guidelines / instructions.

The realizable value of bank's paid-up capital and reserves was negative and the chances of its revival were remote. In the absence of a viable action plan, the

Reserve Bank of India took the extreme measure of canceling 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 Annasaheb Patil Urban Co-operative Bank Ltd, Aurangabad, (Maharashtra), the amount insured as per the DICGC Act will be set in motion, subject to the terms and condition of Deposit Insurance Corporation.

Consequent to the cancellation of its licence, Annasaheb Patil Urban Co-operative Bank Ltd, Aurangabad, (Maharashtra) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Smt. M. Yashoda Bai, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Nagpur. Her contact details are as below:

Postal Address: Additional Office Building, East High Court Road, Post Box 118, Nagpur 440 001. Telephone Number: (0712) 2538696; Fax Number: (0712) 2806670; [Email](#).

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