



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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June 22, 2010

### **Reserve Bank Rejects the Licence Application of – The Ramkrishnapur Co-operative Bank Ltd., Howrah (West Bengal)**

In view of the fact that The Ramkrishnapur Co-operative Bank Ltd., Howrah (West Bengal), had ceased to be solvent, all efforts to revive it in close consultation with the Government of West Bengal had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order rejecting its application for licence to the bank after the close of business on June 17, 2010. The Registrar of Co-operative Societies, West Bengal 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 Ramkrishnapur Co-operative Bank Ltd., Howrah (hereinafter referred to as the 'bank') was registered as a co-operative society on January 30, 1965 and commenced banking business on February 14, 1965. It applied for a licence to the Reserve Bank of India on April 30, 1983 to conduct banking business under Section 22 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) (hereinafter referred to as 'the Act'). The statutory inspection of the bank with reference to its financial position as on March 31, 2007 revealed certain serious deficiencies.

The subsequent statutory inspection of the bank with respect to its position as on March 31, 2009 revealed that its financial position had deteriorated and was precarious. Due to precarious financial position and the liquidity crunch faced by the bank, it was placed under directions with effect from the close of business as on August 20, 2009 restricting, inter alia, withdrawal from deposit accounts up to Rs.1000/- per depositor.

The bank was advised to show cause as to why the application of the bank dated April 30, 1983 for grant of licence to carry on banking business under Section 22 of the Act, should not be rejected and the bank taken into liquidation vide letter UBD.CO.NSB.II/SCN.17/12.29.038/2009-10 dated September 04, 2009. The bank submitted its reply to SCN vide its letter dated October 08, 2009. The reply to the SCN was examined and was found unsatisfactory.

Having regard to all these facts, the Reserve Bank of India is satisfied that allowing the bank to carry on banking business any further, would be detrimental to the interest of the present and future depositors. Hence, the application for grant of licence to conduct banking business deserves to be rejected. Accordingly, the application dated April 30, 1983 to grant licence to the Ramkrishnapur Co-operative

Bank Ltd., Howrah, to conduct banking business in India under Section 22 of the Act is hereby rejected. This order makes it obligatory on the part of the bank to stop conducting 'banking business' within the meaning of Section 5(b) of the Act, including acceptance and repayment of deposits, with immediate effect. With the cancellation of its licence and commencement of liquidation proceedings, the process of paying the depositors of The Ramkrishnapur Co-operative Bank Ltd., Howrah (West Bengal) will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, the Ramkrishnapur Co-operative Bank Ltd., Howrah (West Bengal) 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 Patnaik, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Kolkata. His contact details are as below:

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