



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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January 11, 2021

Reserve Bank of India cancels the licence of Vasantdada Nagari Sahakari Bank Ltd., Osmanabad, Maharashtra

The Reserve Bank of India (RBI) has, vide order dated January 08, 2021 cancelled the licence of Vasantdada Nagari Sahakari Bank Ltd., Osmanabad, Maharashtra to carry on banking business, with effect from the close of business on January 11, 2021. The Commissioner for Cooperation and Registrar of Cooperative Societies (RCS), Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

The Reserve Bank cancelled the licence of the bank as:

- i. the bank has failed to comply with the requirements of Section 11(1) read with Section 56 of BR Act;
- ii. the bank has become disentitled to carry on the business of banking in India, by reason of the cancellation of its licence issued to it by the Reserve Bank of India, under Section 22(1) read with Section 56 of BR Act as it has failed to comply with the requirements of Section 22(3) (a), 22(3) (b), 22(3) (c), 22(3) (d) and 22(3) (e) of BR Act;
- iii. continuance of the bank is prejudicial to the interests of its depositors;
- iv. the bank with its present financial position would be unable to pay its present depositors in full; and
- v. it is necessary in public interest and for preventing the affairs of the bank being conducted in a manner detrimental to the interests of its depositors to wind up the affairs of the bank;

2. Consequent to the cancellation of its licence, Vasantdada Nagari Sahakari Bank Ltd., Osmanabad, Maharashtra is prohibited from conducting the business of 'banking' which includes acceptance of deposits and repayment of deposits as defined in Section 5(b) read with Section 56 of the Banking Regulation Act, 1949 with immediate effect.

3. With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of Vasantdada Nagari Sahakari Bank Ltd., Osmanabad, Maharashtra as per the DICGC Act, 1961 will be set in motion. On liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of ₹5,00,000/- (Rupees Five lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) as per usual terms and conditions. More than 99% of the depositors of the bank will get full repayment of their deposits from DICGC.