



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S. Marg, Mumbai 400001
फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 2270 3279

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

इ-मेल email: helpdoc@rbi.org.in

February 04, 2009

RBI cancels Licence of Ajit Sahakari Bank Limited, Pune

In view of the fact that Ajit Sahakari Bank Limited, Pune, Maharashtra, 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 of India delivered the order cancelling its licence, to the bank after the close of business on January 28, 2009. The Registrar of Co-operative Societies, Maharashtra 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 bank was granted a licence by the Reserve Bank on December 6, 1995 to commence banking business. The statutory inspection of the bank with respect to its position as on March 31, 2007 had indicated that its financial position was impaired. Certain operational restrictions were imposed on the bank.

The latest Statutory Inspection of the bank with reference to its financial position as on March 31, 2008 revealed severe deterioration in its financial position. Accordingly, the Reserve Bank of India imposed all inclusive directions under Section 35A of the Banking Regulation Act 1949 (As Applicable to Co-operative Societies) with a ceiling of Rs. 1000/- on withdrawal of deposits vide directive dated August 18, 2008. the Reserve Bank of India also issued a Requisition dated August 12, 2008 to the Registrar of Co-operative Societies, Maharashtra State for supersession of the Board of Directors of the bank under section 110 A of the Maharashtra Co-operative Societies Act, 1960.

The bank was served a notice on September 2, 2008, calling on it to show cause as to why the licence granted to it under Section 22 of the Banking Regulation Act 1949 (As Applicable to Co-operative Societies) on December 6, 1995 to carry on banking business, should not be cancelled and why steps should not be taken to wind up the bank. Bank's reply to the show cause notice was examined and was found unsatisfactory. The bank also did not come out with any concrete plan for revival or any proposal for its merger.

Considering the sharp deterioration in its financial position as on March 31, 2008 and the absence of any concrete proposal for merger, there was no possibility of revival of the bank. Therefore, the Reserve Bank of India took the extreme measure of cancelling the licence of the bank in the interest of the bank's depositors. With cancellation of its licence and commencement of liquidation proceedings, the process of paying the depositors of Ajit Sahakari Bank Limited, Pune, Maharashtra, will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, Ajit Sahakari Bank Limited, Pune, Maharashtra, is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Shri P. K. Arora, Deputy General Manager, Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, Second Floor, Garment House, Mumbai 400 018. Telephone : (022) 2493 9930-49, Direct (022) 2493 5348, Fax : (022) 2493 5495, Email : pkarora@rbi.org.in