



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 30, 2016

**RBI cancels the Licence of the
Shri Sai Urban Co-operative Bank Ltd., Mukhed, Dist. Nanded, Maharashtra**

The Reserve Bank of India (RBI) has cancelled the licence of Shri Sai Urban Co-operative Bank Ltd., Mukhed, Dist. Nanded, Maharashtra. The order was made effective from the close of business on December 28, 2016. 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.

The Reserve Bank cancelled the licence of the bank as:

- The bank did not comply with the requirement of minimum capital and reserves prescribed under section 11(1) of the Banking Regulation (B R) Act, 1949 (AACS).
- Its operations were being carried out in a manner detrimental to the interest of the present and future depositors and that of the public and in violation of Section 11 and 22 (3) of the B R Act, 1949 (AACS).
- The bank was not in a position to pay its present and future depositors in full as and when their claims accrue.
- The financial position of the bank leaves no scope for its revival.
- Public interest would be affected adversely if the bank was allowed to carry on banking business, any further.

Consequent to the cancellation of its licence, Shri Sai Urban Co-operative Bank Ltd., Mukhed, Dist. Nanded, Maharashtra is prohibited from conducting the business of 'banking' as defined in Section 5 (b) of the B R Act, 1949 (AACS) with immediate effect.

With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of Shri Sai Urban Co-operative Bank Ltd., Mukhed, Dist. Nanded, (Maharashtra), as per the Deposit Insurance and Credit Guarantee Corporation (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 ₹ 1,00,000/- (Rupees one lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) as per usual terms and conditions.