



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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January 23, 2018

Cancellation of Banking Licence – The Bhopal Nagrik Sahakari Bank Ltd., Bhopal

The Reserve Bank of India (RBI) has, vide order dated January 17, 2018 cancelled the licence of The Bhopal Nagrik Sahakari Bank Ltd, Bhopal, Madhya Pradesh to carry on banking business, with effect from the close of business on January 22, 2018. The Registrar of Co-operative Societies, Madhya Pradesh 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 does not have adequate capital structure and earning prospects. As such it does not comply with the provisions of section 11(1) and section 22(3) (d) read with section 56 of the Banking Regulation Act, 1949.
- ii. The bank is not in a position to pay its present and future depositors in full, as and when their claims accrue and thus the bank does not comply with condition mentioned in section 22(3)(a) read with section 56 of the Banking Regulation Act, 1949.
- iii. The affairs of the bank are being conducted in a manner detrimental to the interest of the present and future depositors and thus the bank does not comply with condition mentioned in section 22(3)(b) read with section 56 of the Banking Regulation Act, 1949.
- iv. The bank has not taken any positive steps for capital augmentation and financial restructuring and there is no concrete / viable revival plan.
- v. The financial position of the bank leaves no scope for its revival though the bank has been given ample time and opportunity for turnaround.
- vi. Public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

Consequent to the cancellation of its licence, The Bhopal Nagrik Sahakari Bank Ltd, Bhopal, Madhya Pradesh 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.

With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of The Bhopal Nagrik Sahakari Bank Ltd, Bhopal, Madhya Pradesh 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 ₹ 1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) as per usual terms and conditions.