



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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May 13, 2021

RBI cancels the licence of United Co-operative Bank Ltd., Bagnan, West Bengal

Today, the Reserve Bank of India (RBI) has, vide order dated May 10, 2021 cancelled the licence of United Co-operative Bank Ltd., Bagnan, West Bengal. Consequently, the bank ceases to carry on banking business, with effect from the close of business on May 13, 2021. The Registrar of Cooperative Societies, West Bengal 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 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 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) read with section 56 of the Banking Regulation Act, 1949;
- iii. The 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. Public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

2. Consequent to the cancellation of its licence, United Co-operative Bank Ltd., Bagnan, West Bengal 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 United Co-operative Bank Ltd., Bagnan, West Bengal as per the DICGC Act, 1961 will be set in motion. As per the data submitted by the bank, all the depositors will receive full amount of their deposits from Deposit Insurance and Credit Guarantee Corporation (DICGC). On liquidation, every depositor would be entitled to receive deposit insurance claim amount in respect of his/her deposits up to a monetary ceiling of ₹5,00,000/- (Rupees Five lakh only) from the DICGC subject to the provisions of the DICGC Act, 1961.