



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Reserve Bank of India cancels the licence of The CKP Co-operative Bank Ltd., Mumbai

The Reserve Bank of India (RBI) has, vide Speaking Order No DOR.CO.AID/LC-02/12.22.035/2019-20 dated April 28, 2020 cancelled the licence of The CKP Co-operative Bank Ltd., Mumbai, to carry on banking business, with effect from the close of business on April 30, 2020. The Registrar of Co-operative Societies, Pune, Maharashtra, has also been requested to issue an order for winding up the affairs of The CKP Co-operative Bank Ltd., Mumbai and appoint a liquidator for the bank.

2. The Reserve Bank cancelled the licence of the bank as:

- a. The financial position of the bank is highly adverse and unsustainable. There is no concrete revival plan or proposal for merger with another bank. Credible commitment towards revival from the management is not visible.
- b. The bank is not satisfying the requirement of minimum capital and reserves as prescribed in Section 11 (1) read with Section 56 of the Act and capital adequacy and earning prospects as stipulated in Section 22(3)(d) of the Act and also stipulated minimum regulatory capital requirement of 9%.
- c. The bank is not in a position to pay its present and future depositors, thereby not complying with Section 22(3) (a) read with Section 56 of the Act.
- d. The affairs of the bank were and are being conducted in a manner detrimental to the public interest and interest of the depositors and that the general character of the management of the bank is prejudicial to the interest of depositors as also public interest. Thus, the bank has not been complying with provisions of Section 22 (3)(b) and (c) of the Act.
- e. The bank's efforts for revival have been far from adequate though the bank has been given ample time and opportunity and dispensations. No merger proposal has been received in respect of the bank. Thus, in all likelihood, public interest would be adversely affected if the bank were allowed to carry on its business any further.
- f. No useful purpose would be served by allowing the bank to continue as envisaged in Section 22(3)(e) of the Act. Rather, Public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

3. Consequent to the cancellation of its licence, The CKP Co-operative Bank Ltd., Mumbai, 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.

4. With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of The CKP Co-operative Bank Ltd., Mumbai, 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.

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(Yogesh Dayal)
Chief General Manager