



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## **Reserve Bank of India cancels the licence of The Karad Janata Sahakari Bank Ltd., Karad, Maharashtra**

The Reserve Bank of India (RBI) has, vide order dated December 7, 2020 cancelled the licence of The Karad Janata Sahakari Bank Ltd., Karad, Maharashtra to carry on banking business, with effect from from the close of business on December 7, 2020. The bank was under All Inclusive Directions since November 07, 2017. The Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra 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, The Karad Janata Sahakari Bank Ltd, Karad, Maharashtra 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 The Karad Janata Sahakari Bank Ltd., Karad, Maharashtra 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. More than 99% of the depositors of the bank will get full payment of their deposits from DICGC.

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**(Yogesh Dayal)**  
Chief General Manager