



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI cancels the Licence of the Pioneer Urban Co-operative Bank Ltd., Lucknow, Uttar Pradesh

The Reserve Bank of India (RBI) has, vide order dated July 15, 2016 cancelled the licence of Pioneer Urban Co-operative Bank Ltd., Lucknow, Uttar Pradesh to carry on banking business. The order was made effective from the close of business on July 25, 2016. The Registrar of Co-operative Societies Uttar 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:

- 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 interests 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, Pioneer Urban Co-operative Bank Ltd., Lucknow, 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 Pioneer Urban Co-operative Bank Ltd., Lucknow (Uttar 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.