



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

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संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

September 27, 2024

Directions under Section 35A read with section 56 of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies) - Shree Mahalaxmi Urban Co-operative Credit Bank Ltd., Gokak (Karnataka)

It is hereby notified for information of the public that in exercise of powers vested in it under sub section (1) of Section 35A read with Section 56 of the Banking Regulation Act, 1949, the Reserve Bank of India (RBI) vide Directive Ref. No. CO.DOS.SED.No. S4800/12-23-151/2024-2025 dated September 26, 2024, has issued certain Directions to Shree Mahalaxmi Urban Co-operative Credit Bank Ltd., Gokak, (the bank) whereby, as from the close of business on September 27, 2024, the bank shall not, without prior approval of RBI in writing, grant or renew any loans and advances, make any investment, incur any liability including borrowal of funds and acceptance of fresh deposits, disburse or agree to disburse any payment whether in discharge of its liabilities and obligations or otherwise, enter into any compromise or arrangement and sell, transfer or otherwise dispose of any of its properties or assets except as notified in the RBI Direction dated September 26, 2024. Considering the bank's present liquidity position, the bank has been directed not to allow withdrawal of any amount from savings bank, current accounts or any other account of a depositor, but set off of loans against deposits is allowed, subject to the conditions stated in the above RBI Directions. The bank may incur expenditure in respect of certain essential items such as salaries of employees, rent, electricity bills, etc. as specified in the said Directions.

2. These directions are necessitated due to supervisory concerns emanating from the recent adverse material developments in the bank, and to protect the interest of depositors of the bank.

3. The eligible depositors of the bank would be entitled to receive deposit insurance claim amount for their deposits up to a monetary ceiling of ₹5,00,000/- (Rupees five lakh only) in the same capacity and in the same right, within 90 days, from the Deposit Insurance and Credit Guarantee Corporation (DICGC), subject to the provisions of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 based on submission of willingness by the concerned depositors and after due verification. Details may also be accessed on the DICGC website: www.dicgc.org.in. As per the information currently available with the Reserve Bank, more than 94 per cent of the depositors of the bank will be covered by DICGC for their entire account balance.

4. The issue of the above Directions by the RBI should not per se be construed as cancellation of banking license by RBI. Subject to the restrictions specified in the said Directions, the bank will continue to undertake its banking business, including recovery of loans. The Reserve Bank is monitoring the position of the bank and will continue to take necessary steps, including modifications of these Directions depending upon circumstances, in the interest of depositors.

5. These Directions shall remain in force for a period of six months from the close of business on September 27, 2024 and are subject to review.

Press Release: 2024-2025/1179

(Puneet Pancholy)
Chief General Manager