



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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July 2, 2019

**Directions under Section 35A read with Section 56 of the Banking Regulation Act, 1949 – The Mapusa Urban Co-operative Bank of Goa Ltd, Goa – Modifications of Directions**

The Reserve Bank of India issued Directions to The Mapusa Urban Co-operative Bank of Goa Ltd, Goa under Section 35A read with Section 56 of the Banking Regulation Act, 1949 vide Directive dated July 24, 2015, as modified from time to time, last being vide Directive dated February 15, 2019 which extended the Directions up to August 18, 2019.

2. The Reserve Bank of India has reviewed the financial position of the said bank and considered it necessary in the public interest to modify the aforesaid Directions.

3. Accordingly, in exercise of powers vested in it under sub-sections (1) and (2) of Section 35A read with Section 56 of the Banking Regulation Act, 1949, Reserve Bank hereby directs that the Directive dated July 24, 2015 issued to The Mapusa Urban Co-operative Bank of Goa Ltd, Goa may be partially modified as under to insert the following as clause xi in Para 1:

xi. "The bank is allowed to set off loans against deposits, if the terms and conditions of the loan agreement with the borrower provide that the amount in his specific deposit account (by whatever name called) may be appropriated/ adjusted by the bank towards his loan account, such appropriation/ adjustment to the extent of outstanding balance in loan account may be done subject to following additional conditions:

- a. The accounts have to be KYC compliant as on the date of adjustment.
- b. Deposits held by a third party including but not limited to Guarantor/s / sureties will not be permitted to be adjusted.
- c. This option should be exercised under due notice to the depositor normally in cases where further delay in setting off may result in the loan account becoming NPA. For setting off standard loans (being serviced regularly) and any divergence from the terms and conditions of loan agreement, prior written consent of the depositor-borrower would be necessary.

d. The deposit or its set off should not be subject to any restrictions such as attachment order/ prohibitory order of Court of law or statutory authority or other authority empowered under law, earnest money deposit, obligation of trust, third party lien, under provision of the State Co-operative Societies Act etc.”

4. The Directive dated July 24, 2015 issued to The Mapusa Urban Co-operative Bank of Goa Ltd, Goa, as modified from time to time, shall continue to apply to the bank with the modification vide paragraph 3 hereof, subject to review.

5. All other terms and conditions of the Directives under reference shall remain unchanged.

**Press Release: 2019-2020/22**

**Yogesh Dayal**  
Chief General Manager