



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

इ-मेल email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

March 02, 2017

**RBI extends Directions issued to
Sri Bharathi Co-operative Urban Bank Ltd., Hyderabad**

The Reserve Bank of India has reviewed the financial position of Sri Bharathi Co-operative Urban Bank Ltd., Hyderabad and considered it necessary in the public interest to extend and modify the directions issued earlier vide Directive dated August 24, 2016. Accordingly, the Reserve Bank of India, in exercise of the powers vested in it under sub-section (1) of Section 35A of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) hereby directs that the Directive issued to Sri Bharathi Co-operative Urban Bank Ltd., Hyderabad, the validity of which was upto February 28, 2017 shall continue to apply to the bank for a further period of six months from March 1, 2017 to August 31, 2017, subject to review. Further, in exercise of the powers vested in it under sub-section (1) and (2) of Section 35A read with Section 56 of the Banking Regulation Act, 1949 (AACs), Reserve Bank hereby directs that Paragraph 1 (i) of the Directive so issued to Sri Bharathi Co-operative Urban Bank Ltd., Hyderabad on August 24, 2016 be modified as under:

“A sum not exceeding ₹50,000/- (Rupees fifty thousand only) in every savings bank account or current account or term deposit account or any other deposit account (by whatever name called); may be allowed to be withdrawn by depositor, provided that wherever such depositor is having liability to the bank in any manner, i.e. either as a borrower or surety, including loans against the bank deposits, the amount may be adjusted first to the relevant borrowal account/s. The amount required to pay the depositors should be kept by the bank separately in an escrow account and/or in earmarked securities which will be utilized by the bank only to pay to the depositors as per the revised Directions.”

The bank is allowed to :-

- (i) renew existing loan limits of standard and secured CC accounts other than the Director related loans, if any.
- (ii) 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 allowed to be appropriated/adjusted by the bank towards his loan account; such appropriation /adjustment to the extent of outstanding balance in loan account is permitted subject to following additional conditions:

- a) The accounts have to be KYC compliant as on the date of adjustment.
- b) Deposits held by third party including but not limited to guarantor/s/sureties are not permitted to be adjusted.
- c) This option should be exercised under due notice to/ consent of 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 Cooperative Societies Act etc.

Other terms and conditions as conveyed vide the Directive dated August 24, 2016 shall remain the same.

The detailed directions are displayed at the bank's premises for the interested members of public to peruse.

Press Release : 2016-2017/2338

Ajit Prasad
Assistant Adviser