



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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August 08, 2024

### **Directions under Section 35A read with section 56 of the Banking Regulation Act, 1949 – Shimsha Sahakara Bank Niyamitha, Maddur, Mandya District— Extension of All Inclusive Directions**

As the statutory inspection of the Shimsha Sahakara Bank Niyamitha, Maddur, Mandya District (hereinafter referred to as “the bank”) with respect to its financial position as on March 31, 2021 revealed significant deterioration of its financials, with assessed CRAR at (-)79.74%, net worth at ₹(-)4.67 crore and deposit erosion at 19.61%, the Reserve Bank of India vide its Directive No. BLR.DOS.SSMS.No.S2174/12-08-295/2022-23 dated February 23, 2023, placed the bank under All Inclusive Directions (AID) from the close of business on February 24, 2023. The AID was extended from time to time and the last extension is valid up to the close of business on August 24, 2024.

2. As the financial position of the bank continued to remain precarious as on March 31, 2023, viz., CRAR at (-)81.01%, net worth at ₹(-)5.86 crore and deposit erosion at 41.53%, the Reserve Bank of India, in exercise of powers conferred under Section 22 read with Section 56 of the Banking Regulation Act 1949, cancelled the banking licence of the bank vide Speaking Order dated July 05, 2024.

3. Subsequent to its cancellation, a Writ Petition (WP No 19767 of 2024) has been filed by the bank before the Hon'ble High Court of Karnataka, wherein the Hon'ble Court vide interim order dated July 25, 2024 stayed the Speaking Order dated July 05, 2024 till the next date of hearing.

4. In view of the fact that the financial position of the bank continues to be precarious, the Reserve Bank of India, in exercise of its powers conferred under sub-section (1) of Section 35A read with Section 56 of the Banking Regulation Act, 1949, hereby extends the Directive No. BLR.DOS.SSMS.No.S2174/12-08-295/2022-23 dated February 23, 2023, imposed on the bank, which is effective up to August 24, 2024, for a period of another three months, i.e., up to the close of business on November 24, 2024, subject to review.

5. All other terms and conditions of the Directive No.BLR.DOS.SSMS.No.S2174/12-08-295/2022-23 dated February 23, 2023, shall remain unchanged.