



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

कार्यपालक निदेशक
Executive Director

Directive No. CO.DOS.SED.No.D-01/12-22-350/2025-26

July 29, 2025

In the matter of
Irinjalakuda Town Co-operative Bank Ltd.

Directions under section 35A read with section 56 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies)

The Reserve Bank of India, in exercise of its powers under sub-section (1) of section 35A read with section 56 of the Banking Regulation Act, 1949, on being satisfied that it is necessary in public interest and for preventing the affairs of Irinjalakuda Town Co-operative Bank Ltd ("the bank"), being conducted in a manner detrimental to the interest of the depositors and for securing the proper management of the bank, hereby directs that the bank, from the close of business on July 30, 2025 (which shall be the **Effective date** of this Directive) shall not, without prior approval in writing from the Reserve Bank of India, 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 to the extent and in the manner provided hereunder:

- i. For the present, an amount not exceeding ₹10,000/- (whether from savings bank account, current account, recurring deposit account, term deposit account or any other deposit account by whatever name called) shall be allowed to be withdrawn by a depositor, provided that wherever such depositor is having liability to the bank in any manner, i.e., either as a borrower or surety, the amount may be adjusted to the relevant borrowal account/s.

केन्द्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, मुम्बई - 400 001, भारत
फोन : (91) 22-2270 0932 ई-मेल : edscm@rbi.org.in

Central Office Building, Shahid Bhagat Singh Marg, Mumbai - 400 001, INDIA
Tel : (91) 22-2270 0932 E-mail : edscm@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए

ii. The bank may:

- a. renew the existing term deposits on maturity in the same name and same capacity;
- b. incur expenditure that may be required to be met by the bank in respect of the following items:
 1. salaries of employees;
 2. rent, rates and taxes;
 3. electricity bills;
 4. printing, stationery, postage, etc.;
 5. legal expenses comprising stamp duty/registration charges/ arbitration fees which are payable at rates stipulated in the statutes concerned or rules of Court/ Registrar of Cooperative Societies/ Debt Recovery Tribunal;
 6. court fee in compliance with the court orders/under provisions of statutes; and
 7. payment of fees to lawyers not exceeding ₹1,000/- (Rupees one thousand only) in each case.
- c. pay premium payable to the Deposit Insurance and Credit Guarantee Corporation in accordance with the provisions of applicable law;
- d. incur expenditure on any other item in so far as it is, in the opinion of the bank, necessary for carrying on the day-to-day administration of the bank provided that total expenditure on any item in the calendar month shall not exceed the average monthly expenditure on account of that item during the period of six months preceding the date of the Directive or, if no expenditure has been incurred on account of that item in the past, it should not exceed a sum of ₹1,000/- (Rupees one thousand only);
- e. make investments in Government/SLR-approved securities;
- f. accept contribution towards capital from the existing members of the bank, under advice to RBI on a monthly basis;
- g. make payment in respect of gratuity/provident fund benefits to its retiring employees;



- h. make payment in respect of leave encashment and superannuation benefits to retiring/retired employees with the approval of RBI;
- iii. The bank shall not incur or extinguish any other liability unless specifically approved in writing by the Reserve Bank of India.
2. The bank shall, in compliance with the provisions of section 18A of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (as amended by the Deposit Insurance and Credit Guarantee Corporation (Amendment) Act, 2021), furnish to the Deposit Insurance and Credit Guarantee Corporation (DICGC), a list showing the outstanding deposits of each of its depositor and certified to be correct by its Managing Director within a period of 45 days from the effective date of these directions.
3. The bank is allowed to set off loans against deposits, if the terms and conditions of the loan agreements 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 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; and
 - d. The deposit or its set off should not be subject to any restrictions such as attachment order/ prohibitory order of a Court of law or statutory authority or other authority empowered under law, earnest money deposit, obligation of trust, third party lien under the provisions of Cooperative Societies Act enacted by the State.

4. A copy of this Directive should be forwarded to each depositor by the bank and should also be displayed on the bank's premises and the home page of the bank's website.

5. The Reserve Bank of India further directs that **Irinjalakuda Town Co-operative Bank Ltd**, shall submit to the General Manager, Reserve Bank of India, Department of Supervision, Thiruvananthapuram, such statements relating to its operations as may be prescribed by the Reserve Bank of India in this behalf.

6. These directions shall remain in force for a period of six months from the close of business on July 30, 2025 and subject to review by the Reserve Bank of India.


(S C Murmu)