प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi
Website : www.rbi.org.in
ई-मेल/email : helpdoc@rbi.org.in

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

July 30, 2025

Directions under Section 35 A read with section 56 of the Banking Regulation Act, 1949 – Irinjalakuda Town Co-operative Bank Ltd

It is hereby notified for information of the public that in exercise of powers vested in it under sub section (1) of Section 35 A of the Banking Regulation Act, 1949, read with Section 56 of the Banking Regulation Act, 1949, the Reserve Bank of India (RBI) vide Directive Ref. No. CO.DOS.DSD.No.D-01/12-22-350/2025-2026 dated July 29, 2025, has issued certain Directions to **Irinjalakuda Town Co-operative Bank Ltd** ("the bank"), whereby, as from the close of business on **July 30, 2025**, the bank shall not, without prior approval of RBI in writing, grant or renew any loan or advance, 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 July 29, 2025, a copy of which has been directed to be displayed on the bank's website/ premises for perusal by interested members of the public. Considering the bank's liquidity position, the bank has been directed to permit withdrawal of a sum not exceeding ₹10,000/- (Rupees Ten Thousand only) of the total balance held in savings bank or current account or any other account of a depositor but is allowed to set-off loans against deposits 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. RBI has in the recent past engaged with the Board and Senior Management of the bank for improvement in its functioning. However, lack of concrete efforts taken by the bank to address the supervisory concerns as well as non-infusion of capital funds to maintain minimum regulatory capital necessitated issuance of these directions to protect the interest of depositors of the bank.

3. The eligible depositors would be entitled to receive deposit insurance claim amount of their deposits up to a monetary ceiling of ₹5,00,000/- (Rupees Five Lakh only) in the same capacity and in the same right, from the Deposit Insurance and Credit Guarantee Corporation (DICGC), as applicable under the provisions of the DICGC Act, 1961, based on submission of willingness by the depositors concerned and after due verification. The depositors may contact the bank officials for further information. Details may also be accessed on the DICGC website: www.dicgc.org.in.

4. The issue of the above Directions by the RBI should not *per se* be construed as cancellation of banking license by RBI. The bank will continue to undertake banking business subject to restrictions specified in the said Directions till its financial position improves. The RBI continues to monitor the position of the bank and will take necessary actions including modifications of these Directions, as warranted, depending upon circumstances and in the interest of the depositors.

5. These Directions shall remain in force for a period of **six months** from the close of business on **July 30, 2025** and are subject to review.

(Puneet Pancholy)
Chief General Manager

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