



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

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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

March 12, 2026

Directions under Section 35 A read with Section 56 of the Banking Regulation Act, 1949 – Kanaka Pattana Sahakara Bank Niyamita, Davangere

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 read with Section 56 of the Banking Regulation Act, 1949, the Reserve Bank of India (RBI) vide Directive Ref. No. **BLR.DOS.QAG.No.S1362/12-07-248/2025-2026** dated March 11, 2026, has issued certain Directions to **Kanaka Pattana Sahakara Bank Niyamita, Davangere** ("the bank"), whereby, as from the close of business on **March 12, 2026**, the bank shall not, without prior approval of RBI in writing, 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 as notified in the RBI Direction dated March 11, 2026, 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 present liquidity position, the bank has been directed not to allow any withdrawal from savings bank or current accounts 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 and to protect the interest of depositors of the bank, necessitated issuance of these Directions.

3. The eligible depositors would be entitled to receive deposit insurance claim amount of their deposits upto 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 the 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 March 12, 2026**, and are subject to review.

Press Release: 2025-2026/2257

(Brij Raj)
Chief General Manager