



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 29, 2016

**RBI issues Directions to Nashik Zilla Girna Sahakari Bank Ltd.,
Nashik Maharashtra**

Nashik Zilla Girna Sahakari Bank Ltd., Nashik, Maharashtra, was placed under directions for a period of six months vide directive dated September 8, 2015 from the close of business on September 9, 2015. The validity of the directions was extended vide directive dated March 03, 2016 for a period of six months and vide directive dated August 25, 2016.

The public is hereby advised that paragraph 1(i) of the Directives so issued to Nasik Zilla Girna Sahakari Bank Ltd., Nasik on September 08, 2015, March 03, 2016 and August 25, 2016 be partially modified vide our directive dated December 26, 2016 as under:

- i. The bank is allowed to set off loans against fixed 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 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 additional 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/ 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".
- ii. The bank is allowed to renew existing loan limits of standard and secured CC accounts other than the Director related loans, if any, as per existing terms and conditions.

A copy of the directive dated December 26, 2016 notifying the above modification is displayed at the bank's premises for the perusal of public.

The aforesaid modification by the Reserve Bank of India should not *per-se* be construed to imply that Reserve Bank of India is satisfied of substantive improvement in the financial position of the bank.