

- 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”.
- 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 Co-operative Societies Act etc.

Further, we advise that the validity of the Directions has been further extended by a period of six months up to August 31, 2017.

A copy of the directive dated February 23, 2017 notifying the above extension and modification is displayed at the bank’s premises for the perusal of public.

The aforesaid extension and/or 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.

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