



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

DOR/PSBD.No.1406/16.01.067/2020-21

November 17, 2020

**Directive under Section 35A
of the Banking Regulation Act, 1949.**

Whereas the Reserve Bank of India is satisfied that in order to protect the interest of the depositors and in public interest, it is necessary to issue certain directions to The Lakshmi Vilas Bank Ltd., having its registered office at Karur, Tamilnadu (hereinafter referred to as 'the banking company'), the Reserve Bank of India, in exercise of the powers vested under sub-section (1) of Section 35A of the Banking Regulation Act, 1949 hereby directs that The Lakshmi Vilas Bank Ltd., as from 1800 hours on November 17, 2020, shall not make any investment, incur any liability or agree to disburse any payment, whether in discharge of its liabilities and obligations or otherwise, or enter into any compromise or agreement, or shall transfer or otherwise dispose of any of its properties or assets, except to the extent and in the manner provided hereunder:

- (i) Disbursement to depositors and creditors can be made to the extent permitted by the order of moratorium dated November 17, 2020.
- (ii) Expenditure may be incurred towards meeting the obligations in respect of the following items.
 - a) salaries of employees,
 - b) rent, rates and taxes,
 - c) printing, stationery, etc.
 - d) postage and telegrams.
 - e) legal expenses not exceeding Rs.50,000/- (Rupees fifty thousand only) in each case, or such other higher amount as may be approved by the Reserve Bank of India for this purpose.
- (iv) Payment of premium payable to the Deposit Insurance and Credit Guarantee Corporation can be made.



(v) Expenditure can be incurred on any other item, in so far as it is in the opinion of the banking company, necessary for carrying on its day-to-day administration.

Provided that the total expenditure on any item in any 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, and if no expenditure has been incurred on account of that item in the past, the total payment shall not exceed a sum of Rs.50,000/- (Rupees fifty thousand only).

Provided further that the Reserve Bank of India may, on a case to case basis, approve higher amounts for this purpose, having regard to the facts and circumstances of each case.

2. If the banking company desires to incur any other expenditure on account of emergency during the currency of these directions, it has to take special permission from the Reserve Bank of India.
3. Reserve Bank of India further directs that the banking company shall submit to the Chief General Manager, Reserve Bank of India, Department of Regulation, Mumbai such statements as may be prescribed by the Reserve Bank of India in this behalf.
4. These directions shall remain in force initially for a period of 30 days unless otherwise intimated by the Reserve Bank of India, and shall be subject to review.

(Saurav Sinha)
Executive Director