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NEW DELHI, TUESDAY, NOVEMBER 17, 2020/KARTIKA 26, 1942

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THE GAZETTE OF INDIA : EXTRAORDINARY [PART II—SEC. 3(ii)]

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MINISTRY OF FINANCE (Department of Financial Services) (BANKING DIVISION)

ORDER

New Delhi, the 17th November, 2020

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S.O. 4127(E).—In exercise of the powers conferred by sub-section (2) of section 45 of the Banking Regulation Act, 1949 (10 of 1949), the Central Government, after considering an application made by the Reserve Bank of India under sub-section (1) of that section, hereby makes this Order of moratorium in respect of the Lakshmi Vilas Bank Limited, Karur, Tamil Nadu for the period with effect from 18:00 hrs on the 17<sup>th</sup> day of November, 2020 up to and inclusive of 16<sup>th</sup> day of December, 2020 and hereby stays the commencement or continuance of all actions and proceedings against that banking company during the period of moratorium, subject to the condition that such stay shall not in any manner prejudice the exercise by the Central Government of its powers under clause (b) of sub-section (4) of section 35 of the said Act or the exercise by the Reserve Bank of India of its powers under section 38 of the said Act.

2. The Central Government hereby also directs that during the period of moratorium, the Lakshmi Vilas Bank Limited (the said banking company) shall not, without the permission in writing of the Reserve Bank of India,—

1. (a) make, in the aggregate, payment to a depositor of a sum exceeding twenty-five thousand rupees lying to his credit, in any savings, current or any other deposit account, by whatever name called:

Provided that if a depositor maintains more than one account in the same capacity and in the same right, the total amount payable from all the accounts together shall not exceed the limit indicated above:

Provided further that wherever such depositor is having dues payable to the bank in any manner, either as a borrower or surety, the amount payable to such depositor shall be made after adjusting the relevant borrowal accounts;

2. (b) make, in the aggregate, payment to any creditor exceeding a sum of twenty-five thousand rupees if not otherwise provided in this order, so however that this shall not affect—
  1. (i) making of payment of amounts towards any drafts or pay orders issued by the Lakshmi Vilas Bank Limited and remaining unpaid on the date on which the order of moratorium comes into force;
  2. (ii) paying the proceeds of the bills received for collection on or before the 17<sup>th</sup> day of November, 2020;
  3. (iii) making payment towards existing liabilities for call money or inter-bank borrowings including letters of credit, which are falling due during the period of moratorium; and

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THE GAZETTE OF INDIA : EXTRAORDINARY [PART II—SEC. 3(ii)]

trades effected prior to the date of moratorium for which settlement is yet to take place;

grant any loans or advances or make investments in any credit instruments.

(iv)

(c)

3. Without prejudice to the conditions stipulated in sub-paragraph (a) of paragraph 2, in relation to payment to any depositor of the Lakshmi Vilas Bank Limited, the Reserve Bank may by a general or special order, permit the said banking company to allow payment to its depositors an amount in excess of twenty-five thousand rupees to meet unforeseen expenses, as under:

1. (i) in connection with the medical treatment of the depositor or any person actually dependent on him;
2. (ii) towards the cost of higher education of the depositor or any person actually dependent on him for education in India or outside India;
3. (iii) to pay obligatory expenses in connection with marriage or other ceremonies of the depositor or his children or of any other person actually dependent upon him;
4. (iv) in connection with any other unavoidable emergency:

Provided that the amount so allowed to be paid out of the balance lying to the credit of the depositor—

1. (a) shall be reckoned towards the payment due to him under any scheme of reconstruction or amalgamation as may be sanctioned by any competent authority in relation to the said banking company and subject to such conditions as may be provided under such scheme about appropriation of any payment made to a depositor of the said banking company before or on the coming into force of the scheme; and
2. (b) shall not exceed the sum of five lakh rupees or the actual balance lying to the credit of the account of such depositor, whichever is less.

4. The Central Government hereby further directs that the Lakshmi Vilas Bank Limited may, during the period of the moratorium imposed on it, make the following further payments, namely, the amounts for repaying loans or advances granted against Government securities or other securities, to the Lakshmi Vilas Bank Limited by the Reserve Bank of India or the State Bank of India or by any other bank and remaining unpaid on the date on which this Order comes into force.

5. The Central Government hereby also directs that during the period of moratorium, the Lakshmi Vilas Bank Limited shall be permitted to operate its accounts with the Reserve Bank of India or with any other bank for the purpose of making the payments aforesaid, provided that nothing in this Order shall be deemed to require the Reserve Bank of India or any other bank aforesaid to satisfy itself that the conditions imposed by this Order are being observed before any amounts are released in favour of the Lakshmi Vilas Bank Limited.

6. The Central Government hereby also directs that the Lakshmi Vilas Bank Limited may release or deliver goods or securities which have been pledged, hypothecated or mortgaged or otherwise charged to it against any loan, cash credit or overdraft:

1. (i) in any case in which full payment towards all the amounts due from the borrower or borrowers, as the case may be, has been received by it, unconditionally; and
2. (ii) in any other case, to such an extent as may be necessary or possible, without reducing the proportions of the margins on the said goods or securities below the stipulated proportions or the proportions which were maintained before this Order came into force, whichever may be higher.

[F. No. 7/114/2020-BOA.1] AMIT AGRAWAL, Addl. Secy.

