

Cancellation of Licence of Vinayak Local Area Bank Ltd., Sikar (Rajasthan)

January 17, 2002

The Reserve Bank of India in exercise of the powers vested in it under sub-section (4) of Section 22 of the Banking Regulation Act, 1949, has cancelled the licence issued to Vinayak Local Area Bank Ltd., Sikar (Rajasthan) to carry on banking business in the districts of Jhunjhunu, Sikar and Churu in the State of Rajasthan. Having been satisfied that the banks affairs are being conducted in a manner detrimental to the interest of the depositors and the general character of the management of the banking company is prejudicial to the public interest of its present and future depositors the Reserve Bank has cancelled its licence under Section 22 of the Banking Regulation Act, 1949. The bank is precluded from transacting the business of 'banking' as defined in the Banking Regulation Act, 1949 and it will not be in order for it , among other things, to accept deposits from the public and allow withdrawals by cheque , draft , order or otherwise.

As per the directions issued by Reserve Bank of India on September 29, 2001, members of public who have deposits with the bank can approach the bank for repayment as necessary arrangements have been made to enable the bank to meet the existing deposit liabilities through an account opened with State Bank of India , Station Road , Sikar.

**Ajit Prasad
Manager**

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