

Benares State Bank Ltd. under moratorium

January 24, 2002

On the recommendations of the Reserve Bank of India, Government of India has passed on January 22, 2002, an order of moratorium of the Benares State Bank Ltd. under Section 45(2) of the Banking Regulation Act, 1949, which will remain in force up to and inclusive of April 21, 2002. During the period of moratorium, the bank is permitted to make only those payments as have been specified in the order of moratorium. The order of moratorium has been passed by the Government of India in the public interest, in the interest of the depositors and the banking system.

It may be recalled that the Benares State Bank Ltd. was issued certain directions by the Reserve Bank of India under section 35A of the Banking Regulation Act, 1949 effective from the close of the business on September 25, 2001, which interalia, prohibited the bank from incurring fresh liabilities and also limiting withdrawal from the deposit accounts to the maximum of Rs.1,000, which was subsequently enhanced to Rs.2,500 effective from October 13, 2001.

**Ajit Prasad
Manager**

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