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**RESERVE BANK OF  
INDIA**

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February 17, 2004

**Period of Moratorium on the South Gujarat  
Local Area Bank Ltd. extended**

On the recommendations of the Reserve Bank of India, the Government of India has extended the period of Moratorium under Section 45(2) of the Banking Regulation Act, 1949 for another three months that is upto and inclusive of May 12, 2004.

It may be recalled that the performance and financial position of the South Gujarat Local Area Bank Ltd., Navsari, Gujarat, a local area bank established in October 2000, with its headquarters in Navsari, Gujarat, has been a matter of regulatory and supervisory concern for the Reserve Bank of India. The Government of India had issued an Order of Moratorium on November 13, 2003 on the South Gujarat Local Area Bank Ltd. for the period from the close of business on November 13, 2003 up to and inclusive of February 12, 2004.

During the period of moratorium, the bank is permitted to make only payments as have been specified in this regard in the order of moratorium. The Order of Moratorium has been passed by the Government of India in public interest, in the interest of the depositors and the banking system.

**Alpana Killawala**  
Chief General Manager

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