



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI extends Directions on Baranagar Co-operative Bank Ltd., Baranagar, Kolkata

The Reserve Bank of India has extended Directions issued to Baranagar Co-operative Bank Ltd., Baranagar, Kolkata, West Bengal. The directions will continue to apply to the bank for a further period of three months from October 30, 2014 to January 29, 2015, subject to review. The Reserve Bank had initially placed the bank under directions for six months on July 30, 2013 due to its very precarious financial position and the validity of which was subsequently extended on two occasions up to October 29, 2014.

According to the Reserve Bank's directions, Baranagar Co-operative Bank cannot, without the prior approval of the Reserve Bank in writing, grant or renew any loans and advances, make any investment, incur any liability including borrowal of funds and acceptance of fresh deposits, disburse or agree to disburse any payment whether in discharge of its liabilities and obligations or otherwise, enter into any compromise or arrangement and sell, transfer or otherwise dispose of any of its properties or assets except as notified in the Reserve Bank's directions.

In particular, the bank can allow its depositors to withdraw a sum not exceeding ₹1,000 (Rupees one thousand only) of the total balance in every savings bank or current account or any other deposit account subject to conditions stated in the Reserve Bank of India's directions.

The directions were imposed in exercise of powers vested in the Reserve Bank under sub section (1) of Section 35A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949. A copy of the directions is also displayed on the bank's premises for perusal by interested members of public.

However, the issue of the directions by the Reserve Bank should per se not be construed as cancellation of banking licence by the Reserve Bank. The bank will continue to undertake banking business with restrictions till its financial position improves. The Reserve Bank may consider modifications of these directions depending upon circumstances.

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Alpana Killawala
Principal Chief General Manager