

MPs to meet Sinha for bank revival

Suresh R Menon

Union minister of state for heavy industries and public enterprises Vallabh Kathuria alongwith a team of other central ministers and MLAs would be meeting the Union finance minister Yashwant Sinha soon to submit a revival package for Madhavpura Mercantile Cooperative Bank.

Disclosing this on Sunday, Kathuria said that last week he had a meeting in Bombay with the Union minister of chemicals and fertilisers Suresh Prabhu, the Union minister of state for cooperation and agriculture Sripad Naik, the Union minister of state for finance Balasaheb Vikhe Patil and the managing director of Jana Kalyan Cooperative Bank Satish Marathe, wherein it was decided to chalk out a rehabilitation package for MMCB and submit it to the Union finance minister for approval.

"We felt that a large co-operative bank like Madhavpura cannot be left in the hands of an administrator, who has been a bureaucrat all throughout without any experience or knowledge of co-operative banking. Only those people with a track-record in the co-operative banking sector can do this job," he added.

Kathuria said that based on decisions taken at that meeting, he discussed the matter with Jyotindra Mehta and Jitendra Vyas, top officials of Gujarat Sahakar Bharti and with Gujarat MLA Amit Shah and chairman of Ahmedabad District Cooperative Bank, and decided to prepare the draft proposal for the rehabilitation of MMCB.

"Our plan is to constitute a board of five eminent people drawn from the leading co-operative banks of Gujarat. We would propose that the administration of MMCB be handed over to this board," he added.

When asked where fore he would pump in the funds for the revival, Kathuria said there are about 351 co-operative banks in Gujarat out of which 168 banks are already having their funds parked with MMCB.

The remaining 183 co-operative banks may on an average be asked to contribute Rs 40 million as interest-free loans, which will create a corpus of Rs 7.32 billion, he said. He said that since the state and central governments are equally keen to avert the liquidation of MMCB, they would be willing to extend support in terms of government securities and guarantees. All these would be enough to resume the banking activities of MMCB, he maintained.

Emphasising that he is confident that MMCB can be revived within five years he said, "I and my associates have had experience of reviving two co-operative banks earlier. With the support of Rajkot Nagrik Sahakari Bank we had rehabilitated the Vijay Cooperative Bank four years back and the Junagadh District Cooperative Bank in 1998. The rehabilitation of MMCB is also being proposed on the same lines."

Kathuria, who was speaking over the phone from Rajkot, said he would be leaving for New Delhi on Sunday and the meeting may take place on the next two days.

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