

Panel to work out Madhavpura Co-op Bank bail-out package

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A high-power committee meeting has been convened in Gandhinagar at the state secretariat at 1800 hrs (IST) Thursday to discuss and finalise the exact modalities and time-frame for mobilising the Rs 8 billion required for implementing the Madhavpura Mercantile Co-operative Bank bailout package, which was cleared by the Central government on June 20.

The mentioned Rs 8 billion would be pooled in by co-operative banks based in Gujarat. There are around 350 urban co-operative banks, 19 district co-operative banks and one apex state co-operative bank in Gujarat.

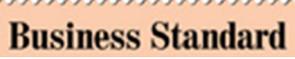
A resolution to the effect that these co-operative banks are willing to contribute a maximum of four per cent of their deposits for revival of MMCB was passed more than a month back at a meeting held at the Gujarat State Co-operative Bank premises and presided by GSCB chairman Jayarambhai Patel.

Around 168 Gujarat-based co-operative banks already held Rs 5.94 billion worth of term-deposits in MMCB before the latter went into a crisis in the second week of March 2001. As part of the bailout package cleared by the Central government on June 20, the Gujarat government had extracted a promise from these 168 banks that they would not withdraw these deposits for the next six years.

As per the MMCB revival package announced on June 20, the Central government would stand guarantee for 70 per cent of the above Rs 8 billion, with the balance to be assured by the Gujarat government.

Thursday's meeting would be chaired by the State finance minister Vajubhai Vala.

It would be attended by all the 15 members of the committee including the State co-operation minister Ramanlal Vora, Gujarat registrar of co-operative societies R M Joshi, Ahmedabad District Co-operative Bank chairman Amit Shah, State MLA Ashok Bhatt, Vijay Co-operative Bank chairman Jyotindra Mehta, Ahmedabad District & City Cooperative Banks Association secretary R S Patel, Gujarat Urban Cooperative Bank's Federation representative Girish Chokshi, one representative each from the office of central RCS, RBI, Nabard, state finance department, among others.

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