

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5032
ANSWERED ON:20.04.2001
MADHAVPURA MERCANTILE COOPERATIVE BANK
DR. KIRIT SOMAIYA

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that RBI has filed a criminal complaint against the Chairman and Managing Director of the Madhavpura Mercantile Cooperative Bank under section 46 of the Banking Regulation Act;
- (b) if so the main reasons therefor;
- (c) whether RBI has scrutinized the books of several cooperative banks in Gujarat and Maharashtra;
- (d) if so, the findings thereof;
- (e) whether RBI is going to tighten the licensing and exposure norms of these banks; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) and (b) Yes, Sir. Reserve Bank of India (RBI) has reported that a criminal complaint was lodged in the Court of Chief Metropolitan Magistrate, Ahmedabad against the Madhavpura Mercantile Co-operative Bank (MMCB), its Chairman and Managing Director on 14th March, 2001 under Section 46 of the Banking Regulation Act, 1949 read with Section 58 (B) of the RBI Act, 1934 for having made false statements to RBI with respect to their call money borrowings and also for failing to meet its assurance for submitting the required information.

(c) to (f) Information is being collected from Reserve Bank of India and, to the extent available, will be laid on the Table of the House.