

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1540

ANSWERED ON:01.12.2006

CLOSURE OF BANKS IN PRIVATE SECTOR

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that some of the banks in the private sector have been closed / disappeared with the deposits of the Public in the last few years;
- (b) if so, the details thereof;
- (c) the steps taken by the Government to protect the interests of customers; and
- (d) the action taken / proposed to be taken by the Government against these banks?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : On the recommendations of Reserve Bank of India. Government of India has sanctioned the schemes of amalgamation of the following banks due to poor financial health of the transferor banks and in the interest of the depositors and the banking system:-

- (i) Nedungadi Bank Ltd. with Punjab National Bank (2003)#
- (ii) South Gujarat Local Area Bank with Bank of Baroda (2004)#
- (iii) Global Trust Bank with Oriental Bank of Commerce (2004)#
- (iv) Ganesh Bank of Kurundwad with Federal Bank Ltd. (2006)#
- (v) United Western Bank Ltd with IDBI Bank Ltd. (2006)#

Figures in brackets indicate year of amalgamation.

Bank of Punjab Ltd. and IDBI Bank Ltd. were voluntarily amalgamated in 2005 with Centurion Bank Ltd., and IDBI Ltd., respectively. RBI has ensured that the interests of the depositors / customers of these banks are adequately protected.