

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6185
ANSWERED ON:03.05.2013
MERGER OF BANKS
Viswanathan Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) the total estimated loss incurred by the Pen co-operative bank as a result of reported financial irregularities and the amount due for Mineral Scrap Trading Corporation (MSTC);
- (b) whether the Government has received any request for merger of Pen Co-operative Urban Bank Limited with any of the nationalised bank;
- (c) if so, the details thereof and the action taken by the Government thereon; and
- (d) the effective measures taken/being taken by the Government to protect the interest of small investors/depositor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a): Reserve Bank of India(RBI) has reported that, as per inspection findings, the assessed loss incurred by Pen Cooperative Bank stood at (-) Rs. 86821.17 lakh as on 31.3.2011. Amount due to Mineral Scrap Trading Corporation(MSTC) is Rs. 162 crore i.e. Rs. 100 crore towards term deposits and Rs. 62 crore towards invoked Bank Guarantee.
- (b) & (c): No request for merger of Pen Cooperative Urban Bank Ltd. with any of the nationalized bank has been received by the Urban Banks Department of RBI.
- (d): Consequent upon the cancellation of licence of the Bank on 9.2.2012 under Section 22 of the Banking Regulations Act, 1949 (as applicable to cooperative societies), the Registrar of Cooperative Societies (RCS), Maharashtra has been requested on 9.2.2012 to appoint a Liquidator for winding up of the Bank to facilitate settlement of claims of the depositors of the Bank as per law.