

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4008
ANSWERED ON:18.08.2000
MERGER OF PNB WITH NEW BANK OF INDIA
ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have put the merger proposal of banks in cold storage after the New Bank of India-PNB merger experiment which caused a lot of problems to the Punjab National Bank;
- (b) if so, the details thereof ;
- (c) whether the Government have investigated the reasons for such problems to the PNB;and
- (d) if so, the outcome thereof ?

Answer

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

(a) to (d) There is no proposal, at present, under consideration of the Central Government for merger of public sector banks. The amalgamation of New Bank of India with Punjab National Bank has resulted in smooth and successful integration of the branches of these banks, posting of net profit by Punjab National Bank for the year 1993-1994 after the writeoff of the losses of erstwhile New Bank of India against capital and significant improvement in the operations of the branches of erstwhile New Bank of India.