

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4464  
ANSWERED ON:21.02.2014  
BANKING TIES WITH PAKISTAN  
Sugavanam Shri E.G.

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Central Banks of India and Pakistan have recently decided to strengthen the banking ties as part of measures to boost bilateral trade between the two countries; and

(b) if so, the details thereof along with the steps taken in this direction?

**Answer**

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

(a) and (b): Presently, no Indian bank is having presence in Pakistan. Similarly, no bank from Pakistan is having presence in India. The Punjab National Bank has applied for opening of two branches in Pakistan, one each in Lahore and Karachi, but these branches have not been approved by the competent authority. Further, the State Bank of Pakistan (SBP) had indicated to RBI in January, 2014 that Muslim Commercial Bank (MCB) was also interested to open a branch in India apart from two other Pakistani Banks. RBI has advised SBP in February, 2014 that the banks from Pakistan may apply as per the extant policy for presence of foreign banks in India.