

Consolidation of PSBs

1996. SHRI DEVENDER GOUD T.: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Union Cabinet has recently taken a decision to consolidate 21 Public Sector Banks into 10-12 banks in the medium term and 3-4 in the long term;

(b) if so, the details thereof;

(c) whether there are still issues to be resolved in the recent merger of some banks with SBI; and

(d) if so, the details of such issues and time-frame within which Government is going to resolve them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) The Banking Companies (Acquisition and Transfer of Undertakings) Acts of 1970 and 1980 provide that the Central Government, in consultation with the Reserve Bank of India, may make a scheme, *inter alia*, for the amalgamation of any nationalised bank with any other nationalised bank or any other banking institution. With a view to facilitate consolidation among the nationalised banks to create strong and competitive banks, Government has put in place an Alternative Mechanism as an approval framework for proposals to amalgamate public sector banks. No proposal is presently before the Alternative Mechanism for its consideration.

(c) and (d) State Bank of India (SBI) has informed that no issues are pending resolution in the recent merger of some banks with SBI.

Failure in detecting PNB fraud

1997. SHRIMATI SAROJINI HEMBRAM: Will the Minister of FINANCE be pleased to state:

(a) whether did Government, Bank Regulator and the Bank fail, in detecting and averting the recent huge PNB Bank fraud where thousands of crores of rupees were cheated by a very few number of corrupt people;

(b) whether Government/Bank was not aware of these fraudulent activities which were going on since so long; and

(c) if so, the details thereof?