

**Nedungadi Bank Ltd. branches to function as
PNB branches from tomorrow**

January 31, 2003

The branches of the Nedungadi Bank Ltd. will function as branches of Punjab National Bank from February 1, 2003. This is envisaged in the scheme of amalgamation sanctioned by the Central Government in its notification issued today.

In terms of the Government notification, the depositors' interests are fully protected. As per the scheme of amalgamation, Punjab National Bank would take over the assets and liabilities of Nedungadi Bank Ltd. after first evaluating the assets and liabilities of Nedungadi Bank and pay the depositors and creditors to the extent of their balances. The shareholders of Nedungadi Bank would be entitled for payment only to the extent of pro rata value of shares, if any surplus remains after paying off the depositors and creditors. The draft scheme of amalgamation does not envisage allotment of shares of Punjab National Bank to the shareholders of Nedungadi Bank.

It may be recalled that the Government of India had, on application of the Reserve Bank of India, in November 2002, placed Nedungadi Bank Ltd., under moratorium. During the period of moratorium, the Reserve Bank of India prepared a draft scheme of amalgamation of Nedungadi Bank with Punjab National Bank.

**Alpana Killawala
General Manager**

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