

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

UNSTARRED QUESTION NO. 2049

TO BE ANSWERED ON THE 29<sup>TH</sup> December 2017/ Pausha 8, 1939 (SAKA)

**Merger of Public Sector Banks**

**2049. DR. KAMBHAMPATI HARIBABU:**

**SHRI RAJAN VICHARE:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is planning to step up merger of Public Sector Banks with the aim to pull off strong and bigger banks of international level;
- (b) if so, the details thereof;
- (c) whether the Government has undertaken any study to understand the effects of merging banks; and
- (d) if so, the details thereof?

**ANSWER**

The Minister of State in the Ministry of Finance  
(SHRISHIV 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 RBI, may make a scheme, *inter alia*, for the amalgamation of any nationalised bank with any other nationalised bank or any other banking institution. Government has put in place an approval framework for proposals to amalgamate nationalised banks.

(c) and (d): Consolidation in Public Sector Banks (PSBs) has been discussed by various committees and their reports *viz.*, Narasimham Committee (1998), Indian Banks' Association Report (2004), Planning Commission Report (2008), Leeladhar Committee (2008) and Nayak Committee (2014). These committees recommended encouragement and promotion of consolidation within PSBs through the merger and amalgamation route.

\*\*\*\*\*