

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

UNSTARRED QUESTION NO. 4814

TO BE ANSWERED ON THE 23rd MARCH 2018 / CHAITRA 2, 1940 (SAKA)

Consolidation of Banks

4814. SHRIMATI K. MARAGATHAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has set up any panel of Ministers to oversee the process of consolidation in State run banks and if so, the details thereof; and
- (b) whether the decision to make merger of public sector banks will help to create competitive banks in public sector space to meet credit needs of growing economy and absorb shocks and 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 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 public sector banks to create strong and competitive banks, serving as catalysts for growth, with improved risk profile of the bank Government has put in place an Alternative Mechanism comprising panel of ministers, as an approval framework for proposals to amalgamate public sector banks.
