

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

STARRED QUESTION NO. \*139

TO BE ANSWERED ON THE 1<sup>ST</sup> JULY 2019/ ASHADHA 10, 1941 (SAKA)  
Merger of Banks

**\*139. SHRI SU. THIRUNAVUKKARASAR:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken a decision to merge Vijaya Bank and Dena Bank with Bank of Baroda and if so, the details thereof;
  
- (b) whether the Government has also taken a decision to close down many branches of Vijaya Bank and Dena Bank across the country, if so, the total number of branches to be closed down and total number of employees likely to lose their job as a result thereof and
  
- (c) whether the Government proposes to take necessary steps to protect the jobs of these banks' employees and if so, the details thereof?

**ANSWER**

**The Finance Minister  
(SMT. NIRMALASITHARAMAN)**

(a) to (c): A Statement is laid on the Table of the House.

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**STATEMENT FOR LOK SABHA STARRED QUESTION NO. \*139 FOR  
1<sup>ST</sup> JULY 2019 REGARDING “MERGER OF BANKS” BY SHRI SU.  
THIRUNAVUKKARASAR MEMBER OF PARLIAMENT.**

(a) to (c): 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 (RBI), 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 that may serve as catalysts for growth with improved risk profile of the bank, Government after consulting RBI, had written to Bank of Baroda (BoB), Vijaya Bank and Dena Bank that they may consider amalgamation of the three banks. After consideration of the amalgamation, the Boards of BoB and Vijaya Bank gave their in-principle approval and the Board of Dena Bank recommended amalgamation. After considering the inputs of banks and RBI, Government gave in-principle approval for the amalgamation of BoB, Vijaya Bank and Dena Bank. After obtaining RBI inputs, Government notified the Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda Scheme, 2019. Vijaya Bank and Dena Bank were accordingly amalgamated into Bank of Baroda with effect from 1.4.2019.

BoB has apprised that no branch has been closed, and that no employee has lost his or her job as a result of the amalgamation. Further, to safeguard the interests of employees, the scheme envisages that the pay and allowances of employees of the Vijaya Bank and Dena Bank shall not on overall basis be less favourable in comparison to what they would have drawn in their respective banks immediately before the amalgamation.

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