

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1003
ANSWERED ON:24.11.2000
MERGER OF SUBSIDIARIES OF GIC
A.K. PREMAJAM

Will the Minister of FINANCE be pleased to state:

- (a) whether all unions and associations of four independent companies of GIC are pressing for a merger into a single company in order to avoid competition among themselves and face it from private insurers so as to increase the net profit of the merged entity;
- (b) if so, the reaction of the Government thereon;
- (c) whether the reports of Consultants and Poddar Committee appointed to look into the issue have not been made public; and
- (d) if so, by when these are likely to be made available to the public?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a) & (b) Government have received representations only from Officers and Employees Associations of General Insurance Corporation and National Insurance Co for merger of four subsidiary companies of GIC into a single insurance company

There is no proposal under consideration of the Government regarding merger of the four subsidiaries of GIC

(c) & (d) Government has not appointed any consultant to look into the structure of insurance companies. An internal committee under the chairmanship of Shri A.N. Poddar, the then Chairman-cum-Managing Director, National Insurance Company was constituted on 30.8.2000 to work out modalities of the co-ordination mechanism after GIC is de-linked from its subsidiary companies. The Committee has since submitted their report. The Poddar Committee was only an internal committee and its report is for internal use.