

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2641  
ANSWERED ON:08.08.2003  
STAKE IN PUBLIC SECTOR BANKS  
YEMPARALA VENKATESWARA RAO

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government propose to bring down its stake in public sector banks; and
- (b) if so, the details of the proposal ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a)&(b): It is proposed to amend Banking Companies (Acquisition and Transfer of Undertakings Act, 1970 and 1980 with a view to modifying the stipulation of minimum prescribed Government shareholding in nationalized banks from 51% to 33% to enable nationalized banks to raise capital from market without affecting their public sector character. Accordingly, Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Amendment Bill, 2000 was introduced in the Lok Sabha in December, 2000, which has been referred to Standing Committee on Finance.