

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3411

ANSWERED ON:13.08.2010

MERGER OF BANKS

Mishra Shri Govind Prasad;Rajaram Shri Wakchaure Bhausahab;Tomar Shri Narendra Singh

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

- (a) whether the Government has received any proposal for the merger of banks including merger of the Union Bank of India and Bank of India;
- (b) if so, the details thereof ,as on date alongwith the criterion followed for the merger of banks;
- (c) whether the Government proposes to bring uniformity in the service rules of banks;and
- (d) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (d): No, Sir. Government has not given any direction to any bank to consider proposal for merger/ amalgamation with a particular bank. The initiatives for consolidation emanate from the managements of the banks themselves with Government playing a supportive role as the common shareholder. While supporting any merger proposal, Government keeps in view the interests of all stakeholders and employees of merging banks. Suitable clauses are incorporated in the scheme of amalgamation / acquisition so that the pay and allowances or the compensation to the employees of merging entities are not altered to their disadvantage.