

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4668
ANSWERED ON:07.08.2009
MERGER OF BANKS
Lagadapati Shri Rajagopal

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is considering merging of banks wherein the holding of the Government would be 51%; and
- (b) if so, the details of banks that the Government is considering for merger?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a)& (b) Government of India has shareholding in 21 public sector banks consisting of State Bank of India (SB), 19 nationalised banks and IDBI Bank Ltd. The statutory and other provisions require that Government shall not hold, at any time, less than 55% of the equity capital of SBI and 51 % of that of nationalised banks and IDBI Bank Ltd. Government has not given direction to any specific bank to consider proposal for merger / amalgamation with a particular bank. The initiatives for consolidation emanate from the management 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 the stakeholders and employees of merging banks.