

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1295

ANSWERED ON:12.12.2013

EXEMPTION FROM COMPETITION ACT

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Dharmshi Shri Babar Gajanan;Yadav Shri Dharmendra

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has turned down the request of the Reserve Bank of India (RBI) for a blanket exemption from the Competition Act for forced mergers of distressed banks initiated by RBI;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Central Bank had sought exemption under Section 5 and 6 of the Competition Act, which requires prior approval from the Government before a merger;
- (d) if so, the details thereof and the response of the Government thereto;
- (e) whether the RBI had invoked the section in the forced merger of Global Trust Bank with Oriental Bank of Commerce and other mergers; and
- (f) if so, the details thereof and the reaction of the Government in this regard?

Answer

THE MINISTER OF STATE (SHRI SACHIN PILOT) (INDEPENDENT CHARGE) IN THE MINISTRY OF CORPORATE AFFAIRS

(a) to (d) The Government, vide notification dated 08.01.2013 has already exempted a banking company in respect of which a notification under section 45 of the Banking Regulation Act, 1949 has been issued for its amalgamation with any other banking institution, from the provisions of section 5 and 6 of the Competition Act, 2002. These provisions deal with jurisdiction of Competition Commission to regulate acquisition, amalgamation and mergers.

(e) & (f) The amalgamation of Global Trust Bank with Oriental Bank of Commerce took place with effect from 14th August, 2004 when section 5 and 6 of the Competition Act dealing with acquisition, amalgamation and mergers were not in force. These sections have come into force only from 01st June, 2011.