

04:05 PM | 12 JAN **CLOSED**
MARKET STATS ▾சென்செக்ஸ்
34,592 ▲ 88.90நி:பிடி 50
10,681 ▲ 30.05கோல்டு (எம்சிஎக்...
29,563.00 ▲ 173.00யுஎஸ்டி/ஐஎ...
63.61 ▼ -0.05CREATE
PORTFOLIOஈ-டி
மார்க்கெட்ஸ்...CHOOSE
LANGUAGE
TAM

Government may put public sector banking mergers on fast track

BY DHEERAJ TIWARI, ET BUREAU | AUG 21, 2017, 06.26 AM IST

Post a Comment

NEW DELHI: Keen to push consolidation in the [public sector banking](#) space, the government is looking to set up a new mechanism to speed up decisions on possible mergers among [state-run lenders](#).

The new process will be along the lines of the alternative mechanism that's been adopted for strategic [disinvestments](#), which involves a small group of cabinet ministers.

"We are discussing various combinations for merger in public sector banks. The basic premise remains the same, that is to put the process on a fast track," said a government official aware of the deliberations, adding that this option may also be explored for the [IDBI Bank stake sale](#).

The government announced its intention of reducing its stake in IDBI Bank to below 51 per cent last year but this hasn't taken place yet on account of the lender's bad loans and as the valuation exercise hadn't included its real estate assets. The government has already announced its intent to press for consolidation in the banking sector.

Finance minister [Arun Jaitley](#) said in June that the government was "actively working" toward consolidation but did not share any details, stating this was price-sensitive information.

He was speaking after reviewing the quarterly performance of India's 21 state-run banks. Earlier this year, four state-run banks — [Syndicate Bank](#), [Canara Bank](#), [Vijaya Bank](#) and [Dena Bank](#) — made presentations to the finance ministry on likely consolidation plans.



MotorOctane loves the CAPTUR design.
RENAULT



गंजापन दूर करने का नेचुरल नुस्खा
Regrow Hair

Recommended By Colombia

State Bank of India absorbed five of its associate lenders and the [Bharatiya Mahila Bank](#) in April, creating a larger bank that accounts for a quarter of all outstanding loans.

Idea under deliberation

The idea is in the early stages of deliberation, according to another government official. The government has adopted the alternative decision-making mechanism to expedite stake sales in government-run companies.

Cabinet approval won't be needed at every stage with this mechanism in place, making the process faster. This process is being employed to pursue a stake sale in national carrier Air India as well.

RELATED COMPANIES

EXPAND

Vijaya Bank 0.10 (0.15%)**Syndicat...** 0.20 (0.26%)**Dena Bank**

-0.40 (-1.51%)

EXPAND TO VIEW ALL

Big Change:

[The end of Five-Year Plans: All you need to know](#)

In Fast Lane

ALTERNATIVE DECISION-MAKING

mechanism may be used to speed up the process for mergers among 21 PSBs

CABINET NOD WON'T BE needed at every stage with this mechanism in place

IDBI STAKE SALE can also be taken up via this process

THE GOVT IS KEEN to reduce its stake in IDBI Bank to below 51%

BUT LENDER'S bad loans and the valuation exercise have held up the process



FOUR BANKS THAT HAVE ALREADY MADE PRESENTATIONS ON CONSOLIDATION PLANS TO FINMIN

Syndicate Bank, Canara Bank, Vijaya Bank and Dena Bank



The cabinet committee on economic affairs (CCEA) on Wednesday expanded the scope of the alternative mechanism for pursuing the government's strategic sale disinvestment programme.

It comprises finance minister Arun Jaitley, roads minister Nitin Gadkari and the minister of the relevant administrative department. This mechanism can now decide on matters relating to terms and conditions of the sale from the stage at which expressions of interest are invited to that of seeking financial bids.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

Powered by

[Live Market](#)
[News](#)
[Portfolio](#)
[Mobile](#)
[Live TV](#)
[Biz Listings](#)

[Industry](#)
[Newsletters](#)
[Commodities](#)
[Speed](#)
[Blogs](#)
[RSS](#)

[About Us](#)
[Create Your Own Ad](#)
[Advertise with Us](#)
[Terms of Use & Grievance Redressal](#)
[Privacy policy](#)

FOLLOW US

[Download it from
APP STORE](#)
[Download it from
GOOGLE PLAY](#)
[Download it from
Windows Store](#)
Other Times Group news sites

इकनॉमिक टाइम्स | एडिजेन्डिड टाइम्स | Pune Mirror | Bangalore Mirror | Ahmedabad Mirror | ItsMyAscent | Education Times | Brand Capital | Mumbai Mirror | Times Now | Indiatimes | नवभारत टाइम्स | महाराष्ट्र टाइम्स | മലയാള മനോരമ | Go Green | AdAge India | Eisamay | IGN India | NavGujarat Samay | Times of India | Samayam Tamil | Samayam Telugu | Miss Kyra | Bombay Times | Filmipop

Living and Entertainment

Timescity | iDiva | Entertainment | Zoom | Healthmeup | Luxpresso | Gadget Reviews | Titanium & Platinum Credit Card | Online Songs | MensXP | Hotels | Travel Destinations | Cricbuzz | Recipes | Gaana | Happytrips | Getsmartapp

Interest Network

itimes

Hot on the Web

Tax Saving Investments | Income Tax Slabs | Aadhaar Card | How to Save Income Tax | GST Rates | GST | Income Tax | Sensex Today | Budget | Sensex | Income Tax Calculator | Aadhaar

Services

Book print ads | Online shopping | Matrimonial | Astrology | Jobs | Tech Community | Property | Buy car | Bikes in India | Free Classifieds | Send money to India | Used Cars | Restaurants in Delhi | Remit to India | Buy Mobiles | Listen Songs | News | TimesMobile | Real Estate Developers | Restaurant Deals in Delhi | Car Insurance | Gadgets Now | Free Business Listings | CouponDunia | Remit2India | Tchradar | AliveAR | Getsmartapp App | ETMoney Finance App | Feedback

In Case You Missed It

[Gold Rate](#)
[What is Bitcoin](#)
[Budget 2018](#)
[Bank FD Rates](#)
[Infosys Share Price](#)
[Nifty](#)
[Silver Price](#)
[H1B Visa](#)
[Aadhaar Card](#)
[SBI Share Price](#)
[Sensex](#)
[Crude Oil Price](#)

Copyright © 2018 Bennett, Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)