

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2944
ANSWERED ON:07.12.2001
MERGER OF BANKS/ FLS
DR. KIRIT SOMAIYA;LAXMINARAYAN PANDEY

Will the Minister of FINANCE be pleased to state:

- (a) Whether the financial institution like IOBI has decided to merge with a public sector/private sector bank;
- (b) if so, whether any proposal by Financial Institution has submitted to RBI in this regard;
- (c) if so, the details thereof;
- (d) whether IDBI has finalised its new partners;
- (e) if not, by when new partners will be decided;
- (f) whether employees of IOBI would be accommodated in it; and
- (g) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI BALASAHEB VIKHEPA TIL

(a) to (g) : The salient operational and regulatory issues to be addressed by Financial Institutions for conversion into Universal Bank was circulated by Reserve Bank of India(RBI) on 28th April, 2001. RBI intend to process applications to be received from financial institutions in the light of the consideration outlined in RBI Circular. ICICI Bank has since submitted a proposal to RBI on 25th October 2001 for merger of ICICI with it. IOBI has informed RBI that the details of transformation into a Universal Bank are being evaluated and they will approach RBI once the analysis is complete.