

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4283  
ANSWERED ON:15.12.2000  
INDIVIDUAL INVESTORS  
AMBATI BRAHMANAIAH

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

- (a) whether the Government have restricted the share-holding of an individual in a PSU Bank to 1% of the equity;
- (b) if so, the rationale behind this move;
- (c) whether a group of investors can manipulate their restricted 1% equity to usurp the bank; and
- (d) if so, the steps taken to avoid exploitation by such investors?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) to (d) The statutes governing the public sector banks do not impose any restrictions on the number of shares an individual can hold in these banks. However, there are certain restrictions regarding voting rights of the individuals shareholders of public sector banks, which are indicated below:-

Nationalised Banks : One per-cent of the total voting rights of all share-holders in the bank; State-Bank of India : Ten per-cent of the issued capital of the bank; and Subsidiary banks of State Bank of India : Not exceeding two hundred shares of the bank.