

Approval of framework for consolidation of Public Sector Banks**Approval of framework for consolidation of Public Sector Banks**

An Alternative Mechanism for consolidation of the Public Sector Banks (PSBs) has been constituted under the Chairmanship of the Union Minister of Finance and Corporate Affairs, Shri Arun Jaitley. The composition of the Alternative Mechanism will be as under:

Chairperson: Shri Arun Jaitley, Minister of Finance and Corporate Affairs.

Member : Shri Piyush Goyal, Minister of Railways and Coal.

Member : Smt. Nirmala Sitharaman, Minister of Defence.

The proposals received from banks for in-principle approval to formulate schemes of amalgamation will be placed before the Alternative Mechanism. A Report on the proposals cleared by Alternative Mechanism will be sent to the Cabinet every three months.

Alternative Mechanism may also direct banks to examine proposals for amalgamation.

Alternative Mechanism will receive inputs from Reserve Bank of India (RBI) before according in-principle approval.

Alternative Mechanism shall devise its own procedure for appraisal of amalgamation proposals by banks, and be guided overall by the objectives of the Nationalisation Acts {Banking Companies (Acquisition and Transfer of Undertakings) Acts, 1970 and 1980}.

The Final Schemes formulated will be approved by the Central Government, and laid in both the Houses of Parliament.

Alternative Mechanism will be serviced by the Department of Financial Services for this purpose.

DSM/SBS/AS

END

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