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The mandatory reference of mergers and acquisitions (M&As) in the financial sector to the Competition Commission of India (CCI) will be good for consumer protection, as it will check monopolistic tendencies, senior bankers said. The Cabinet had on 4 October, cleared amendments to the Companies Bill. One of the amendments suggested other regulators should mandatorily refer matters impinging on 'competition' to the CCI.

According to senior bankers and experts, the Reserve Bank of India (RBI), the regulator for banks and non-banking finance companies, is doing a good job in improving customer services and protecting depositors' interests. They said the system is evolving to have specialised bodies to check monopolistic tendencies, they added.

Maintaining financial stability, one of the key responsibilities of RBI, and monopoly are two different things, said Rajesh Mokashi, deputy managing director at rating agency CARE.

According to a public sector executive who did not wish to be named, the new move will go a long way in consumer protection. It will be useful for an outside body to study the in-depth market implications of any M&A in the financial sector, he added.

While issues of monopoly and consumer interests get focus,

An official with the Indian Banks' Association, however, cautioned we might see a turf war among various regulators, as much of the work could involve interpretation.