

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 4272**

TO BE ANSWERED ON THE 22<sup>ND</sup> MARCH 2021/ CHAITRA 1, 1943 (SAKA)

**Banks Merger**

4272. DR. T. SUMATHY (a) THAMIZHACHI THANGAPANDIAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether by the end of 2023-24 most of the Public Sector Banks(PSBs) would be merged or disinvested to private banks;
- (b) if so, the details of the current condition of PSBs in the country, turn over, profit/loss, share holding pattern, NPAs and bad debts, total permanent employees and value of immovable assets by way of security and collaterals; and
- (c) the steps taken by the Government to extend the quality services to common people particularly in rural areas?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE

(SHRI ANURAG SINGH THAKUR)

(a): The Finance Minister, in her speech on the Union Budget for the year 2021-22, announced the Government's intent to take up the privatisation of two Public Sector Banks (PSBs) and the approval of a policy of strategic disinvestment of Public Sector Enterprises (PSE). As per the New PSE policy for Atmanirbhar Bharat issued by the Department of Investment and Public Asset Management, recommendations shall be made by NITI Aayog with regard to Central PSEs under Strategic Sectors, which includes the Banking, Insurance and Financial Services Sector, and recommendations shall be considered and Central PSEs to be, *inter alia*, retained under Government control or considered for privatisation or merger or subsidiarisation with another PSE shall be approved by an Alternative Mechanism that has been approved by the Government. No proposal on merger or disinvestment of PSBs is currently under consideration of the said mechanism.

(b): Does not arise.

(c): A number of steps have been taken to extend quality banking services to common people particularly in rural areas, including, *inter-alia*, the following:

- (i) Engagement of over 4.79 lakh Banking Correspondents (BCs), by scheduled commercial banks (including 1.55 lakh by PSBs) to provide customers easy access to services including in rural/backward and remote areas of the country, with 75% of total transactions performed through BC channels being in rural areas in FY 2019-20 and 64% in current FY (till date);
- (ii) Issuance of RuPay cards to over 30 crore Pradhan Mantri Jan Dhan Yojna customers for improved digital access; and
- (iii) 1.93 crore Kisan Credit Cards outstanding as on Mar-2020 for enabling farmers to meet their production credit requirements in a timely and hassle-free manner.

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