

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 2238**

TO BE ANSWERED ON THE 2<sup>ND</sup> AUGUST 2021/ SRAVANA 11, 1943 (SAKA)

**Consolidation of Public Sector Banks**

2238. SHRI THOMAS CHAZHIKADAN:

Will the Minister of FINANCE be pleased to state:

- (a) the Government has received any proposal for consolidation of Public Sector Banks in the country;
- (b) if so, the details thereof and the authority which has given the proposal;
- (c) whether the Government is considering any proposal for privatization of any public sector banks; and
- (d) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(DR. BHAGWAT KARAD)

(a) and (b): The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 provide that the Central Government, in consultation with the Reserve Bank of India (RBI), may make scheme, *inter alia*, for the amalgamation of any nationalised bank with any other nationalised bank. Government, after consulting RBI, approved that respective Board of Public Sector Banks (PSBs) may consider amalgamation. Bank Boards concerned considered the amalgamation and approved the same in-principle. Government, after considering inputs of RBI and in-principle approval and inputs of banks, amalgamated Vijaya Bank and Dena Bank into Bank of Baroda *w.e.f.* 1.4.2019 and Oriental Bank of Commerce and United Bank of India into Punjab National Bank, Andhra Bank and Corporation Bank into Union Bank of India, Syndicate Bank into Canara Bank, and Allahabad Bank into Indian Bank, *w.e.f.* 1.4.2020. No specific proposal to amalgamate more PSBs is currently under consideration of the Government.

(c) and (d): The Finance Minister, in her speech on the Union Budget for the financial year 2021-22, announced the Government's intent to take up privatisation of two PSBs.

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